



INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

Stock Code: 1398

2024 / Interim Report





Company Profile

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured into a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank has devoted itself to building a world-class and modern financial enterprise with Chinese characteristics. The Bank has a high-quality customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing abundant financial products and superior financial services to over 12.84 million corporate customers and 749 million personal customers around the world. It has served the high-quality development of the economy and society with its own high-quality development. The Bank has been consciously integrating social responsibilities into its development strategy and operation and management activities, and gaining wide recognition in the aspects of serving the manufacturing industry, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a long-lasting and ever-prosperous bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the key development strategies, actively develops the FinTech and accelerates the digital transformation. The Bank unswervingly delivers specialized services, and pioneers a specialized business model, thus making it “a craftsman in large banking”.

The Bank was ranked the 1st place among the Top 1000 World Banks by *The Banker* for the twelfth consecutive year, and took the 1st place among the Top 500 Banking Brands of *Brand Finance* for the eighth consecutive year.

Strategic Objective

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, ICBC will adhere to the general working principle of pursuing progress while ensuring stability, fully and faithfully apply the new development philosophy on all fronts, modernize its governance system and capacity, and turn ICBC into a world-class and modern financial enterprise with Chinese characteristics.

Strategic Significance

Adhere to the guidance of the Party building theory and exercising rigorous corporate governance

ICBC upholds the Party's leadership over the financial work, and strives to improve the scientific decision-making as well as the effectiveness of corporate governance through enhanced governance system and capacity building.

Adhere to technology-driven development and value creation

ICBC empowers its business operations and management with FinTech, and creates superior value for the real economy, shareholders, customers, employees and the society as a whole.

Adhere to pushing for pragmatic business transformation and progressing through reform

Keeping pace with changing times, ICBC endeavors to advance reforms in key areas and critical steps, seeking room for development through transformation and vitality for growth through reform.

Adhere to putting the customer first and serving the real economy

ICBC remains steadfast in serving the real economy and commits to satisfying people's new expectations and demands for financial services, making every effort to build the No.1 Personal Bank.

Adhere to a broad international vision and globalized operations

ICBC proactively taps resources from both domestic and overseas markets, and undertakes to constantly promote international development, which well-integrates with China's high-level opening-up.

Adhere to laying a solid foundation for risk control and achieving development through talent cultivation

ICBC safeguards the lifeline of asset quality by reinforcing bottom-line thinking with a combination of prevention and control measures. Meanwhile, corporate culture formation and caring for staff are strengthened to increase group cohesion.



MISSION

Excellence for You

Excellent services for clients
Maximum returns to shareholders
Real success for employees
Great contribution to society



VISION

**To build a world-class modern
financial institution with Chinese
characteristics in all aspects, and
become a long-lasting and ever-
prosperous bank**



VALUES

Integrity Leads to Prosperity

Integrity
Humanity
Prudence
Innovation
Excellence



Contents

Definitions	4	Capital Management	66
Important Notice	5	Outlook	69
Corporate Information	6	Hot Topics in the Capital Market	70
Financial Highlights	7	Improving the Quality and	
Overview of Business Operation	10	Efficiency of Serving the Real	
Discussion and Analysis	12	Economy and Maintaining	
Economic, Financial and		Steady Growth in Credit	
Regulatory Environments	12	Investment	70
Financial Statements Analysis	13	Actively Pursuing Interim	
Business Overview	29	Dividends to Create Long-term	
Corporate Banking	29	Returns for Shareholders	72
Personal Banking	33	Effective Risk Control in Key	
Asset Management Services	35	Areas and Stable Asset Quality	73
Financial Market Business	37	Deepening D-ICBC Development	
FinTech	38	and Enhancing Digital	
Internet Finance	41	Momentum	74
Outlet Building and Service		Details of Changes in Share Capital	
Improvement	43	and Shareholding of Substantial	
Human Resources Management,		Shareholders	76
Employees and Institutions	44	Directors, Supervisors and Senior	
International Operation	46	Management	83
Comprehensive Operation	49	Corporate Governance	85
Major Controlled Subsidiaries and		Environmental and Social	
Equity Participating Company	51	Responsibilities	86
Risk Management	53	Significant Events	89
		Review Report and Interim Financial	
		Report	92

Definitions

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

Articles of Association	The Articles of Association of Industrial and Commercial Bank of China Limited
Bank ICBC (JSC)	Bank ICBC (joint stock company)
Capital Regulation (Provisional)	Regulation Governing Capital of Commercial Banks (Provisional) promulgated in June 2012
Capital Regulation/New Capital Regulation	Regulation Governing Capital of Commercial Banks
CSRC	China Securities Regulatory Commission
Former CBIRC	Former China Banking and Insurance Regulatory Commission
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Huijin	Central Huijin Investment Ltd.
ICBC (Almaty)	Industrial and Commercial Bank of China (Almaty) Joint Stock Company
ICBC (Argentina)	Industrial and Commercial Bank of China (Argentina) S.A.U.
ICBC (Asia)	Industrial and Commercial Bank of China (Asia) Limited
ICBC (Austria)	ICBC Austria Bank GmbH
ICBC (Brasil)	Industrial and Commercial Bank of China (Brasil) S.A.
ICBC (Canada)	Industrial and Commercial Bank of China (Canada)
ICBC (Europe)	Industrial and Commercial Bank of China (Europe) S.A.
ICBC (Indonesia)	PT. Bank ICBC Indonesia
ICBC (London)	ICBC (London) PLC
ICBC (Macau)	Industrial and Commercial Bank of China (Macau) Limited
ICBC (Malaysia)	Industrial and Commercial Bank of China (Malaysia) Berhad
ICBC (Mexico)	Industrial and Commercial Bank of China Mexico S.A.
ICBC (New Zealand)	Industrial and Commercial Bank of China (New Zealand) Limited
ICBC (Peru)	ICBC PERU BANK
ICBC (Thai)	Industrial and Commercial Bank of China (Thai) Public Company Limited
ICBC (Turkey)	ICBC Turkey Bank Anonim Şirketi
ICBC (USA)	Industrial and Commercial Bank of China (USA) NA
ICBC Credit Suisse Asset Management	ICBC Credit Suisse Asset Management Co., Ltd.
ICBC International	ICBC International Holdings Limited
ICBC Investment	ICBC Financial Asset Investment Co., Ltd.
ICBC Investments Argentina	ICBC Investments Argentina S.A. Sociedad Gerente de Fondos Comunes de Inversión
ICBC Leasing	ICBC Financial Leasing Co., Ltd.
ICBC Standard Bank	ICBC Standard Bank PLC
ICBC Wealth Management	ICBC Wealth Management Co., Ltd.
ICBC-AXA	ICBC-AXA Assurance Co., Ltd.
ICBCFS	Industrial and Commercial Bank of China Financial Services LLC
IFRSs	The International Financial Reporting Standards promulgated by the International Accounting Standards Board, which comprise the International Accounting Standards
Inversora Diagonal	Inversora Diagonal S.A.
MIIT	Ministry of Industry and Information Technology of the People's Republic of China
MOF	Ministry of Finance of the People's Republic of China
MOHRSS	Ministry of Human Resources and Social Security of the People's Republic of China
NFRA	National Financial Regulatory Administration
PBC	The People's Bank of China
PRC GAAP	Accounting Standards for Business Enterprises promulgated by MOF
Securities and Futures Ordinance of Hong Kong	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SEHK	The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
SSF	National Council for Social Security Fund
Standard Bank	Standard Bank Group Limited
State Council	The State Council of the People's Republic of China
The Bank/The Group	Industrial and Commercial Bank of China Limited; or Industrial and Commercial Bank of China Limited and its subsidiaries

Important Notice

The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of Industrial and Commercial Bank of China Limited undertake that the information in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liability for the authenticity, accuracy and completeness of the information in this report.

The 2024 Interim Report of the Bank and the results announcement have been considered and approved at the meeting of the Board of Directors of the Bank held on 30 August 2024. There were 13 directors eligible for attending the meeting, of whom 13 directors attended the meeting in person.

The 2024 interim financial report prepared by the Bank in accordance with PRC GAAP and IFRSs have been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu in accordance with Chinese and international standards on review engagements respectively.

Upon the approval at the Annual General Meeting for the Year 2023 held on 28 June 2024, the Bank distributed cash dividends of about RMB109,203 million, or RMB3.064 per ten shares (pre-tax), for the period from 1 January 2023 to 31 December 2023 to the ordinary shareholders whose names appeared on the share register after the close of market on 15 July 2024. The Board of Directors of the Bank proposed distributing 2024 interim cash dividend for ordinary shares of RMB1.434 per ten shares (pre-tax). The distribution plan will be submitted to the Shareholders' General Meeting for approval.

The Board of Directors of Industrial and Commercial Bank of China Limited

30 August 2024

Mr. Liao Lin, Legal Representative of the Bank, Mr. Liu Jun, Person in charge of finance of the Bank, and Mr. Xu Zhisheng, Person in charge of Finance and Accounting Department of the Bank, hereby warrant that the financial statements contained in the Interim Report are authentic, accurate and complete.

The report contains forward-looking statements on the Bank's financial position, business performance and development. The statements are based on existing plans, estimates and forecasts, and bear upon future external events or the Group's future finance, business or performance in other aspects, and may involve future plans which do not constitute substantive commitment to investors. Hence, investors and persons concerned shall be fully aware of the risks and understand the difference between plans, estimates and commitments.

The Bank is primarily exposed to credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputational risk and country risk. The Bank has actively adopted measures to effectively manage various types of risks. Please refer to the section headed "Discussion and Analysis — Risk Management" for detailed information.

This report is prepared in both Chinese and English. In the case of discrepancy between the two versions, the Chinese version shall prevail.

Corporate Information

Legal name in Chinese

中國工商銀行股份有限公司(“中國工商銀行”)

Legal name in English

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (“ICBC”)

Legal Representative

Liao Lin

Registered address and office address

55 Fuxingmennei Avenue, Xicheng District, Beijing, China
Postal code: 100140
Telephone: 86-10-66106114
Business enquiry and complaint hotline: 86-95588
Website: www.icbc.com.cn, www.icbc-ltd.com

Principal place of business in Hong Kong SAR, China

33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China

Authorized representatives

Liu Jun and Duan Hongtao

Board Secretary and Company Secretary

Duan Hongtao
Address: 55 Fuxingmennei Avenue, Xicheng District, Beijing, China
Telephone: 86-10-66108608
Facsimile: 86-10-66107420
E-mail: ir@icbc.com.cn

Selected newspaper for information disclosure

China Securities Journal, Shanghai Securities News, Securities Times, Economic Information Daily

Website of SSE for disclosure of the interim report in respect of A shares

www.sse.com.cn

The “HKEXnews” website of HKEX for disclosure of the interim report in respect of H shares

www.hkexnews.hk

Legal Advisors

Chinese mainland

King & Wood Mallesons
17-18/F, East Tower, World Financial Center, 1 East 3rd Ring Middle Road, Chaoyang District, Beijing, China

Haiwen & Partners
20/F, Fortune Financial Center, 5 East 3rd Ring Middle Road, Chaoyang District, Beijing, China

Hong Kong SAR, China

DLA Piper
25th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong SAR, China

Linklaters LLP
11th Floor, Alexandra House, Chater Road, Central, Hong Kong SAR, China

Share Registrars

A Share

China Securities Depository and Clearing Corporation Limited, Shanghai Branch
188 Yanggao South Road, Pudong New Area, Shanghai, China
Telephone: 86-4008058058

H Share

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong SAR, China
Telephone: 852-28628555
Facsimile: 852-28650990

Location where copies of this interim report are kept

Board of Directors’ Office of the Bank

Place where shares are listed, and their names and codes

A Share

Shanghai Stock Exchange
Stock name: 工商銀行
Stock code: 601398

H Share

The Stock Exchange of Hong Kong Limited
Stock name: ICBC
Stock code: 1398

Domestic Preference Share

Shanghai Stock Exchange
Stock name: 工行優1
Stock code: 360011

Stock name: 工行優2
Stock code: 360036

Offshore Preference Share

The Stock Exchange of Hong Kong Limited
Stock name: ICBC 20USDPREF
Stock code: 4620

Accounting Firms

Deloitte Touche Tohmatsu Certified Public Accountants LLP
30/F, 222 East Yan’an Road, Huangpu District, Shanghai, China
CPAs (Practicing): Zeng Hao, Yang Xiaozhen and Li Jin

Deloitte Touche Tohmatsu
35/F, One Pacific Place, 88 Queensway, Hong Kong SAR, China

Financial Highlights

(Financial data and indicators in this Interim Report are prepared in accordance with IFRSs and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.)

Financial Data

	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2022
Operating results (in RMB millions)			
Net interest income	313,950	336,987	350,611
Net fee and commission income	67,405	73,465	76,041
Operating income	401,999	428,906	444,161
Operating expenses	105,208	105,379	102,496
Impairment losses on assets ⁽²⁾	102,069	122,255	133,849
Operating profit	194,722	201,272	207,816
Profit before taxation	197,184	203,655	210,003
Net profit	171,296	174,720	172,819
Net profit attributable to equity holders of the parent company	170,467	173,744	171,670
Net cash flows from operating activities	26,983	1,297,269	1,410,405
Per share data (in RMB yuan)			
Basic earnings per share ⁽³⁾	0.47	0.48	0.47
Diluted earnings per share ⁽³⁾	0.47	0.48	0.47

Financial Data (continued)

	30 June 2024	31 December 2023	31 December 2022
Assets and liabilities (in RMB millions)			
Total assets	47,116,536	44,697,079	39,610,146
Total loans and advances to customers	27,837,550	26,086,482	23,210,376
Corporate loans	17,515,667	16,145,204	13,826,966
Personal loans	8,834,543	8,653,621	8,234,625
Discounted bills	1,487,340	1,287,657	1,148,785
Allowance for impairment losses on loans ⁽⁴⁾	819,886	756,391	672,762
Investment	12,988,922	11,849,668	10,533,702
Total liabilities	43,252,035	40,920,491	36,094,727
Due to customers	34,107,316	33,521,174	29,870,491
Corporate deposits	15,879,570	16,209,928	14,671,154
Personal deposits	17,521,361	16,565,568	14,545,306
Other deposits	212,811	210,185	199,465
Accrued interest	493,574	535,493	454,566
Due to banks and other financial institutions	4,113,777	3,369,858	3,187,712
Equity attributable to equity holders of the parent company	3,843,526	3,756,887	3,496,109
Share capital	356,407	356,407	356,407
Net common equity tier 1 capital ⁽⁵⁾	3,477,144	3,381,941	3,121,080
Net tier 1 capital ⁽⁵⁾	3,832,172	3,736,919	3,475,995
Net capital base ⁽⁵⁾	4,812,406	4,707,100	4,281,079
Risk-weighted assets ⁽⁵⁾	25,123,488	24,641,631	22,225,272
Per share data (in RMB yuan)			
Net asset value per share ⁽⁶⁾	9.79	9.55	8.82
Credit rating			
S&P ⁽⁷⁾	A	A	A
Moody's ⁽⁷⁾	A1	A1	A1

- Notes:
- (1) Since 1 January 2023, the Group has implemented IFRS 17 – Insurance Contracts. In accordance with the IFRS requirements, the Group made retroactive adjustments to relevant data and indicators for the comparable periods in 2022. According to the accounting requirements of the Interim Measures for the Administration of the Gold Leasing Business issued by PBC, the Group has made adjustments to the presentation of the interbank gold leasing business since 2023 and adjusted relevant data for the comparable periods in 2022 accordingly.
 - (2) Calculated by adding credit impairment losses with impairment losses on other assets.
 - (3) 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 CSRC.
 - (4) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.
 - (5) Calculated in accordance with the Capital Regulation as at the end of June 2024. Calculated in accordance with the Capital Regulation (Provisional) for the comparable periods of 2023 and 2022.
 - (6) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the reporting period by the total number of ordinary shares at the end of the reporting period.
 - (7) The rating results are in the form of “long-term foreign currency deposits rating”.

Financial Indicators

	Six months ended 30 June 2024	Six months ended 30 June 2023	Six months ended 30 June 2022
Profitability (%)			
Return on average total assets ⁽¹⁾	0.75*	0.84*	0.94*
Return on weighted average equity ⁽²⁾	9.53*	10.51*	11.26*
Net interest spread ⁽³⁾	1.24*	1.52*	1.85*
Net interest margin ⁽⁴⁾	1.43*	1.72*	2.03*
Return on risk-weighted assets ⁽⁵⁾⁽¹⁰⁾	1.38*	1.50*	1.58*
Ratio of net fee and commission income to operating income	16.77	17.13	17.12
Cost-to-income ratio ⁽⁶⁾	24.79	23.29	21.97
	30 June 2024	31 December 2023	31 December 2022
Asset quality (%)			
Non-performing loans ("NPLs") ratio ⁽⁷⁾	1.35	1.36	1.38
Allowance to NPLs ⁽⁸⁾	218.43	213.97	209.47
Allowance to total loans ratio ⁽⁹⁾	2.95	2.90	2.90
Capital adequacy (%)			
Common equity tier 1 capital adequacy ratio ⁽¹⁰⁾	13.84	13.72	14.04
Tier 1 capital adequacy ratio ⁽¹⁰⁾	15.25	15.17	15.64
Capital adequacy ratio ⁽¹⁰⁾	19.16	19.10	19.26
Total equity to total assets ratio	8.20	8.45	8.88
Risk-weighted assets to total assets ratio ⁽¹⁰⁾	53.32	55.13	56.11

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 CSRC.
- (3) Calculated by the spread between yield on average balance of interest-generating assets and cost on average balance of interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the average balance of interest-generating assets.
- (5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.
- (6) Calculated by dividing operating expense (less taxes and surcharges) by operating income.
- (7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.
- (8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.
- (9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.
- (10) Calculated in accordance with the Capital Regulation as at the end of June 2024. Calculated in accordance with the Capital Regulation (Provisional) for the comparable periods of 2023 and 2022.

Overview of Business Operation

Since the beginning of the year, in the face of severe and complex external environment, the Bank studied and carried out in depth Xi Jinping's Economic Thought on Finance, and adhered to the general principle of pursuing progress while ensuring stability. Taking the opportunity of accepting the central inspections and carrying out the Party discipline learning and education, the Bank stuck to the political and people-oriented nature of financial work, adhered to the guidance of the Party building theory, and accelerated the "five transformations" of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation. Keeping forging ahead, despite the challenges, the Bank worked proactively and played the key and ballast stone roles in consolidating and building up economic recovery. While keeping major performance indicators stable, it advanced high-quality development solidly.

In the first half of the year, various business segments of the Group worked together to achieve a dynamic balance of assets, capital, and funds. The core indicators of being "Strong, Excellent and Large" maintained steady growth, demonstrating strong operating resilience. The Bank achieved an operating income of RMB401,999 million, and generated a net profit of RMB171,296 million, with the annualised return on average total assets (ROA) and the annualised return on weighted average equity (ROE) of 0.75% and 9.53%, respectively. It planned to distribute an interim cash dividend of RMB51,109 million for the first time, with a dividend payout ratio of 30.0%. The Bank issued the first TLAC non-capital bond in China. Its capital adequacy ratio was 19.16%; its non-performing loans ratio was 1.35%, representing a decrease of 0.01 percentage points over the beginning of the year; its allowance to NPLs was 218.43%, representing an increase of 4.46 percentage points, and the balance of total allowances stood at RMB954,237 million, further enhancing its risk resistance capacity.

Assets maintained stable growth, and the quality and efficiency of serving the real economy continued to rise. The Bank highlighted its major responsibilities and core businesses, proactively implemented various macroeconomic policies, and made good use of the total amount, structure, incremental and existing amounts of investment and financing, to meet the financial needs of the real economy in a more targeted and effective way. RMB-denominated loans of domestic branches recorded an increase of RMB1.74 trillion or 7.1%; RMB-denominated bond investments increased by RMB1.09 trillion, and domestic underwritten bonds as the lead underwriters amounted to RMB769,533 million, all maintaining market leading position. The Bank made solid progress in the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, and strengthened high-quality financial services for major strategies, key areas, and weak links. Its loans to manufacturing, loans to strategic and emerging industries, green loans and inclusive loans increased by 13.0%, 14.7%, 13.7% and 21.5%, all higher than the average growth rate of total loans. The Bank strengthened services for the areas such as "Major Strategies and Key Fields", "Renewal and Trade-in" and "Three Major Projects"¹, and actively implemented the coordinated urban real estate financing mechanism, providing strong support for ensuring timely delivery of housing. Thanks to the efforts made to promote consumption and expand domestic demand, the total amount of personal consumption loans, business loans, and card overdrafts increased by RMB304,014 million. The Bank has significantly enhanced payment facilitation and elderly services, and continuously improved the brand value of "By Your Side and As Your Trust".

1 "Major Strategies and Key Fields" refer to implementation of major national strategies and the construction of security capabilities in key areas; "Renewal and Trade-in" refer to equipment renewal and trade-in of old consumer goods; "Three Major Projects" refer to government-subsidized housing, urban village redeveloping and dual-use public infrastructure that can accommodate emergency needs.

Firmly reinforcing the defense line of security and ensuring various risks are controllable as a whole. The Bank adhered to the principle of “early identification, warning, exposure, and resolution” of risks, coordinated development and safety, followed the path of “active prevention, smart control and comprehensive management”, deepened the “Five-pronged Risk Management Approach”¹, and upheld safe development as the bottom line. The Bank continued to tackle asset quality issues, further applied investment banking thinking to activate existing assets and make good use of incremental assets. Risks arising from key areas such as real estate, local government debts, and small and medium-sized financial institutions have been effectively controlled, contributing to the overall stability of asset quality. The Bank improved the Group’s internal control system and mechanism for risks, reinforced risk officers, and continuously enhanced the bonding force of the “three lines of defense”. It accelerated the construction of enterprise-level intelligent risk control platforms, and strengthened the coordinated management of the Group’s cyber security. The Bank ensured workplace safety with a strong sense of responsibility of “being vigilant all the time” by controlling the sources and eliminating potential risks. It maintained continuous and stable business operations, effectively protecting the life and property safety of customers and employees.

Reform and transformation were picking up, and the momentum of high-quality development was continuously increasing. The Bank adhered to integrity and innovation, deeply implemented the development plan of the Group, further reinforced strengths while making up for weaknesses, consolidated the foundation and exploited more sources of growth. The Bank deepened the “GBC+” projects, fully implemented the mechanism of “allocating the land on the household basis and assessing it by household”². The number of corporate, personal and inclusive customers rose by 788 thousand, 8,932 thousand, and 463 thousand, respectively. The Bank launched the first financial infrastructure service program in the banking industry, improving the customer management system for industrial funds, and continuously enriching the financial cooperation ecosystem. The Bank tracked and analyzed customers’ fund flows by tier and category, and promoted cost reduction and structural optimization of liabilities. Its RMB deposit balance stood at RMB32.39 trillion, an increase of RMB557,010 million, achieving a significant improvement in stability. The balance of personal financial assets under management (“AUM”) amounted to RMB21.77 trillion. The Bank actively served the RMB internationalization relying on its global financial service network. In the first half of 2024, cross-border RMB business reached RMB4.75 trillion. The construction of D-ICBC continued to advance. The Bank released version 9.0 of mobile banking, and deepened the construction and empowerment of hundreds of billion-level large model technology, which has been applied in dozens of business scenarios such as financial markets, credit risk control, and internet finance, accelerating the cultivation of new growth drivers and new advantages.

- 1 “Five-pronged Risk Management Approach” refers to the overall risk management system of Head Office and branches, domestic and overseas institutions, on- and off-balance sheet businesses, online and offline business, commercial banking and investment banking subordinated institutions.
- 2 “Allocating the land on the household basis and assessing it by household” refers to improving the broadest customer base maintenance system, further defining the “responsible fields” of customers under management, and promoting the enhancement of service quality and efficiency.

Discussion and Analysis

ECONOMIC, FINANCIAL AND REGULATORY ENVIRONMENTS

In the first half of 2024, the global economic growth momentum was weak with sticky inflation, geopolitical conflicts, international trade frictions occurred frequently, the monetary policies of major economies were differentiated, and potential financial risks required attention. China's economy was generally stable with steadily growing production and continuously recovering demand, while employment and prices kept stable overall. China's gross domestic product (GDP), fixed asset investment (excluding rural households), retail sales of consumer goods, total imports and exports of trade in goods (RMB-denominated), and consumer price index (CPI) rose by 5.0%, 3.9%, 3.7%, 6.1% and 0.1% year on year respectively.

The proactive fiscal policy was moderately strengthened to improve quality and efficiency. China made overall use of ultra-long-term special government bonds, special local government bonds and central budget funds to provide financial support for the quality and quantity improvement in the investment field. The prudent monetary policy was flexible, appropriate, accurate and effective. PBC cut the reserve requirement ratio by 0.5 percentage points at the beginning of the year to maintain reasonable and sufficient liquidity; established structural monetary policy tools such as re-lending for sci-tech innovation and technological transformation, and re-lending for affordable housing, and guided the adjustment and optimization of credit structure; and improved the market-oriented interest rate formation and transmission mechanism, guided the Loan Prime Rate ("LPR") for over five years to decline by 0.25 percentage points, and promoted a steady decline in social financing costs.

The total amount of monetary credit and the scale of social financing increased appropriately. At the end of June, the balance of broad money supply (M2) was RMB305.02

trillion, up 6.2% year on year. The aggregate financing to the real economy (AFRE) stood at RMB395.11 trillion, up 8.1% year on year. The outstanding RMB loans reached RMB250.85 trillion, up 8.8% year on year. The RMB exchange rate remained basically stable at a reasonable and balanced level. The central parity of RMB against the US dollar was RMB7.1268, depreciating by 0.6% compared with the end of last year.

Regulatory policies were more forward-looking, precise, effective and coordinated, supporting the building of a financial powerhouse. The Regulations on Accountability for Failing to Prevent or Defuse Financial Risks (Trial) was formulated and promulgated to promote the prevention and resolution of financial risks. The banking sector was promoted to well perform in the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, to enhance the ability of technology financial services, deepen financial services for the manufacturing industry, and reinforce financial support for green and low-carbon development. The financial support for large-scale equipment renewal and trade-in of consumer goods was intensified. The payment services were further improved to enhance the convenience of payment. A coordination mechanism was established for urban real estate financing, and policies on residential mortgages were optimized and adjusted, to promote the steady and healthy development of the real estate market.

Total assets of commercial banks grew steadily, with credit asset quality remaining basically stable, and overall ability to offset risks was sufficient. At the end of June, the RMB and foreign-currency assets of commercial banks totalled RMB370.02 trillion, up 7.3% year on year; the balance of NPLs reached RMB3.34 trillion, with a NPL ratio of 1.56% and allowance to NPLs of 209.32%. The capital adequacy ratio was 15.53%.

FINANCIAL STATEMENTS ANALYSIS

13 Income Statement Analysis

- Net Interest Income
- Interest Income
- Interest Expense
- Non-interest Income
- Operating Expenses
- Impairment Losses
- Income Tax Expense
- Summary Geographical Segment Information

20 Balance Sheet Analysis

- Assets Deployment
- Liabilities
- Shareholders' Equity
- Off-balance Sheet Items

28 Analysis on Statement of Cash Flows

28 Changes of Major Accounting Policies

28 Reconciliation of Differences between the Financial Statements Prepared under PRC GAAP and Those under IFRSs

Income Statement Analysis

In the first half of 2024, the Bank steadily carried forward the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation, and promoted its high-quality development while serving the high-quality development of the real economy. As a result, major operating indicators remained stable. In the first half year, the Bank realized a net profit of RMB171,296 million, representing a decrease of 2.0% as compared to the same period of last year. Annualised return on average total assets stood at 0.75%, and annualised return on weighted average equity was 9.53%. Operating income amounted to RMB401,999 million, recording a decrease of 6.3%. Specifically, net interest income was RMB313,950 million, dropping by 6.8%. Non-interest income reached RMB88,049 million, decreasing by 4.2%. Operating expenses amounted to RMB105,208 million, representing a decrease of 0.2%, and the cost-to-income ratio was 24.79%. Impairment losses on assets were RMB102,069 million, indicating a decrease of 16.5%. Income tax expense decreased by 10.5% to RMB25,888 million.

CHANGES OF KEY INCOME STATEMENT ITEMS

In RMB millions, except for percentages

Item	Six months ended	Six months ended	Increase/ (decrease)	Growth rate (%)
	30 June 2024	30 June 2023		
Net interest income	313,950	336,987	(23,037)	(6.8)
Non-interest income	88,049	91,919	(3,870)	(4.2)
Operating income	401,999	428,906	(26,907)	(6.3)
Less: Operating expenses	105,208	105,379	(171)	(0.2)
Credit impairment losses	101,809	122,067	(20,258)	(16.6)
Impairment losses on other assets	260	188	72	38.3
Operating profit	194,722	201,272	(6,550)	(3.3)
Share of results of associates and joint ventures	2,462	2,383	79	3.3
Profit before taxation	197,184	203,655	(6,471)	(3.2)
Less: Income tax expense	25,888	28,935	(3,047)	(10.5)
Net profit	171,296	174,720	(3,424)	(2.0)
Attributable to: Equity holders of the parent company	170,467	173,744	(3,277)	(1.9)
Non-controlling interests	829	976	(147)	(15.1)

Discussion and Analysis

Net Interest Income

In the first half year, net interest income amounted to RMB313,950 million, representing a decrease of RMB23,037 million or 6.8% as compared to the same period of last year. Interest income amounted to RMB721,053 million, growing by RMB24,470 million or 3.5%, and interest expenses rose by RMB47,507 million or 13.2% to RMB407,103 million. Affected by factors such as reduction in the Loan Prime Rate (LPR), interest rate adjustment of existing housing loans and changes in the structure of deposit maturities, annualised net interest spread and net interest margin were 1.24% and 1.43%, 28 basis points and 29 basis points lower than those of the same period of last year, respectively.

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Average balance	Interest income/expense	Average yield/cost (%)	Average balance	Interest income/expense	Average yield/cost (%)
Assets						
Loans and advances to customers	27,178,867	476,198	3.52	24,402,847	477,435	3.95
Investment	11,232,963	178,910	3.20	9,931,498	165,748	3.37
Due from central banks ⁽²⁾	3,204,355	27,068	1.70	3,185,687	26,216	1.66
Due from banks and other financial institutions ⁽³⁾	2,586,357	38,877	3.02	1,904,974	27,184	2.88
Total interest-generating assets	44,202,542	721,053	3.28	39,425,006	696,583	3.56
Non-interest-generating assets	2,791,454			2,625,978		
Allowance for impairment losses on assets	(854,549)			(775,877)		
Total assets	46,139,447			41,275,107		
Liabilities						
Deposits	32,650,789	298,566	1.84	30,213,526	284,796	1.90
Due to banks and other financial institutions ⁽³⁾	5,497,111	74,688	2.73	3,892,555	47,916	2.48
Debt securities issued and certificates of deposit	1,898,631	33,849	3.59	1,435,425	26,884	3.78
Total interest-bearing liabilities	40,046,531	407,103	2.04	35,541,506	359,596	2.04
Non-interest-bearing liabilities	2,242,517			2,169,204		
Total liabilities	42,289,048			37,710,710		
Net interest income		313,950			336,987	
Net interest spread			1.24			1.52
Net interest margin			1.43			1.72

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

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

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

ANALYSIS OF CHANGES IN INTEREST INCOME AND EXPENSE

In RMB millions

Item	Comparison between six months ended 30 June 2024 and 30 June 2023		
	Increase/(decrease) due to		Net increase/ (decrease)
	Volume	Interest rate	
Assets			
Loans and advances to customers	50,942	(52,179)	(1,237)
Investment	21,558	(8,396)	13,162
Due from central banks	218	634	852
Due from banks and other financial institutions	10,367	1,326	11,693
Changes in interest income	83,085	(58,615)	24,470
Liabilities			
Deposits	22,785	(9,015)	13,770
Due to banks and other financial institutions	21,933	4,839	26,772
Debt securities issued and certificates of deposit	8,321	(1,356)	6,965
Changes in interest expenses	53,039	(5,532)	47,507
Changes in net interest income	30,046	(53,083)	(23,037)

Note: Changes in volume are measured by the changes in average balances, while the changes in interest rate are measured by the changes in average interest rates. Changes resulted from the combination of volume and interest rate have been allocated to the changes resulted from business volume.

Interest Income

Interest Income on Loans and Advances to Customers

Interest income on loans and advances to customers was RMB476,198 million, RMB1,237 million or 0.3% lower compared to the same period of last year, as mainly due to the decrease of 43 basis points in the average yield of loans and advances to customers, and the increase of 11.4% in the average balance partially offset the effect of yield decrease.

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	6,310,458	93,344	2.97	5,475,802	88,686	3.27
Medium to long-term loans	20,868,409	382,854	3.69	18,927,045	388,749	4.14
Total loans and advances to customers	27,178,867	476,198	3.52	24,402,847	477,435	3.95

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

In RMB millions, except for percentages

Item	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	16,074,948	266,213	3.33	13,819,436	253,224	3.70
Discounted bills	1,243,561	8,419	1.36	1,120,051	8,701	1.57
Personal loans	8,563,600	161,611	3.80	8,117,960	178,036	4.42
Overseas business	1,296,758	39,955	6.20	1,345,400	37,474	5.62
Total loans and advances to customers	27,178,867	476,198	3.52	24,402,847	477,435	3.95

Interest Income on Investment

Interest income on investment amounted to RMB178,910 million, representing an increase of RMB13,162 million or 7.9% as compared to the same period of last year, mainly due to the increase of 13.1% in the average balance of investment, and the decrease of 17 basis points in the average yield partially offset the effect of scale growth.

Interest Income on Due from Central Banks

Interest income on due from central banks was RMB27,068 million, representing an increase of RMB852 million or 3.2% as compared to the same period of last year.

Interest Income on Due from Banks and Other Financial Institutions

Interest income on due from banks and other financial institutions was RMB38,877 million, representing an increase of RMB11,693 million or 43.0% as compared to the same period of last year, primarily due to the scale growth of lending from peers.

Interest Expense

Interest Expense on Deposits

Interest expense on deposits amounted to RMB298,566 million, representing an increase of RMB13,770 million or 4.8% as compared to the same period of last year, mainly due to the increase of 8.1% in the average balance of due to customers, and the decrease of 6 basis points in the average cost partially offset the effect of scale growth.

ANALYSIS OF AVERAGE DEPOSIT COST BY PRODUCTS

In RMB millions, except for percentages

Item	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Corporate deposits						
Time deposits	7,956,035	100,162	2.53	6,885,096	93,395	2.74
Demand deposits	6,842,825	33,854	0.99	7,299,487	36,208	1.00
Subtotal	14,798,860	134,016	1.82	14,184,583	129,603	1.84
Personal deposits						
Time deposits	10,724,694	131,631	2.47	9,190,920	124,057	2.72
Demand deposits	5,992,035	6,762	0.23	5,814,584	7,775	0.27
Subtotal	16,716,729	138,393	1.66	15,005,504	131,832	1.77
Overseas business	1,135,200	26,157	4.63	1,023,439	23,361	4.60
Total deposits	32,650,789	298,566	1.84	30,213,526	284,796	1.90

Interest Expense on Due to Banks and Other Financial Institutions

Interest expense on due to banks and other financial institutions was RMB74,688 million, representing an increase of RMB26,772 million or 55.9% as compared to the same period of last year, principally attributable to the appropriate arrangement of borrowing funds and diversified expansion of liability sources.

Interest Expense on Debt Securities Issued and Certificates of Deposit

Interest expense on debt securities issued and certificates of deposit was RMB33,849 million, indicating an increase of RMB6,965 million or 25.9% over the same period of last year, mainly attributable to the increased scale of the negotiable certificates of deposit ("NCDs").

Non-interest Income

In the first half of 2024, non-interest income decreased by RMB3,870 million or 4.2% to RMB88,049 million, accounting for 21.9% of the Bank's operating income. Specifically, net fee and commission income fell by RMB6,060 million or 8.2% to RMB67,405 million, and other non-interest income increased by RMB2,190 million or 11.9% to RMB20,644 million.

Discussion and Analysis

NET FEE AND COMMISSION INCOME

In RMB millions, except for percentages

Item	Six months ended 30 June 2024	Six months ended 30 June 2023	Increase/ (decrease)	Growth rate (%)
Settlement, clearing business and cash management	26,163	24,398	1,765	7.2
Investment banking business	14,835	13,677	1,158	8.5
Personal wealth management and private banking services	10,281	14,019	(3,738)	(26.7)
Bank card business	9,145	10,234	(1,089)	(10.6)
Corporate wealth management services	5,794	6,863	(1,069)	(15.6)
Asset custody business	4,118	4,380	(262)	(6.0)
Guarantee and commitment business	2,978	5,865	(2,887)	(49.2)
Trust and agency services	1,435	1,372	63	4.6
Other	1,624	1,555	69	4.4
Fee and commission income	76,373	82,363	(5,990)	(7.3)
Less: Fee and commission expense	8,968	8,898	70	0.8
Net fee and commission income	67,405	73,465	(6,060)	(8.2)

In the first half of 2024, the Bank's net fee and commission income was RMB67,405 million, representing a decrease of RMB6,060 million or 8.2% as compared to the same period of last year. The income from settlement, clearing business and cash management recorded an increase of RMB1,765 million, as mainly benefited from the increase in income from third-party payment, foreign exchange settlement and purchase and foreign exchange trading, and cash management services, etc. The income from investment banking business recorded an increase of RMB1,158 million, mainly because of the increase in income from syndicate arrangement underwriting and management, and investment and financing advisory businesses, etc. Affected by the fee rate reform of publicly offered funds, implementation of insurance policy of "fee rate practices consistent with those reported to regulators", volatile capital markets, changes in the investors' risk appetite and other factors, income from personal wealth management and private banking, corporate wealth management and asset custody dropped. The decrease in fee rates for guarantee and commitment business resulted in a decline in relevant income. Affected by factors such as the residents' consuming willingness being under recovery, income from bank card business declined.

OTHER NON-INTEREST RELATED GAINS

In RMB millions, except for percentages

Item	Six months ended 30 June 2024	Six months ended 30 June 2023	Increase/ (decrease)	Growth rate (%)
Net trading income	9,612	9,871	(259)	(2.6)
Net gains on financial investments	14,744	12,664	2,080	16.4
Other operating expense, net	(3,712)	(4,081)	369	N/A
Total	20,644	18,454	2,190	11.9

Other non-interest related gains amounted to RMB20,644 million, representing an increase of RMB2,190 million or 11.9% as compared to the same period of last year. Among these, the decrease in net trading income was mainly due to the decrease in derivative valuation income; the increase in net gains on financial investments was primarily a result of the increase in bond and equity instrument investment income; and the decrease in other net operating expense was resulted from the increase in insurance service income and operating lease business income.

Operating Expenses

In RMB millions, except for percentages

Item	Six months ended	Six months ended	Increase/ (decrease)	Growth rate (%)
	30 June 2024	30 June 2023		
Staff costs	63,317	63,000	317	0.5
Property and equipment expenses	13,142	13,706	(564)	(4.1)
Taxes and surcharges	5,550	5,498	52	0.9
Amortisation	2,379	2,126	253	11.9
Other	20,820	21,049	(229)	(1.1)
Total	105,208	105,379	(171)	(0.2)

Impairment Losses

In the first half of 2024, the Bank set aside the credit impairment losses of RMB101,809 million, indicating a decrease of RMB20,258 million or 16.6%. Specifically, impairment losses on loans were RMB94,526 million, indicating a decrease of RMB14,020 million or 12.9%. Impairment losses on other assets were RMB260 million, indicating an increase of RMB72 million or 38.3%. Please refer to "Note 9. to the Consolidated Financial Statements: Credit Impairment Losses; Note 23. to the Consolidated Financial Statements: Impairment Allowance" for details.

Income Tax Expense

Income tax expense decreased by RMB3,047 million or 10.5% to RMB25,888 million as compared to the same period of last year. The effective tax rate was 13.13%, lower than the statutory tax rate of 25%, primarily because the interest income on Chinese government bonds and local government bonds were exempted from tax under the relevant tax law.

Summary Geographical Segment Information

In RMB millions, except for percentages

Item	Six months ended		Six months ended	
	30 June 2024		30 June 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Operating income	401,999	100.0	428,906	100.0
Head Office	9,832	2.4	22,147	5.2
Yangtze River Delta	77,150	19.2	80,294	18.7
Pearl River Delta	53,900	13.4	59,722	13.9
Bohai Rim	83,792	20.8	81,995	19.1
Central China	58,146	14.5	61,829	14.4
Western China	63,957	15.9	68,772	16.0
Northeastern China	14,692	3.7	16,202	3.8
Overseas and other	40,530	10.1	37,945	8.9
Profit before taxation	197,184	100.0	203,655	100.0
Head Office	(23,538)	(11.9)	(19,942)	(9.8)
Yangtze River Delta	48,108	24.4	46,209	22.7
Pearl River Delta	21,478	10.9	26,767	13.1
Bohai Rim	57,209	29.0	45,940	22.6
Central China	26,524	13.5	33,145	16.3
Western China	32,481	16.5	37,737	18.5
Northeastern China	6,597	3.3	8,043	4.0
Overseas and other	28,325	14.3	25,756	12.6

Note: Please see "Note 42. to the Consolidated Financial Statements: Segment Information" for details.

Balance Sheet Analysis

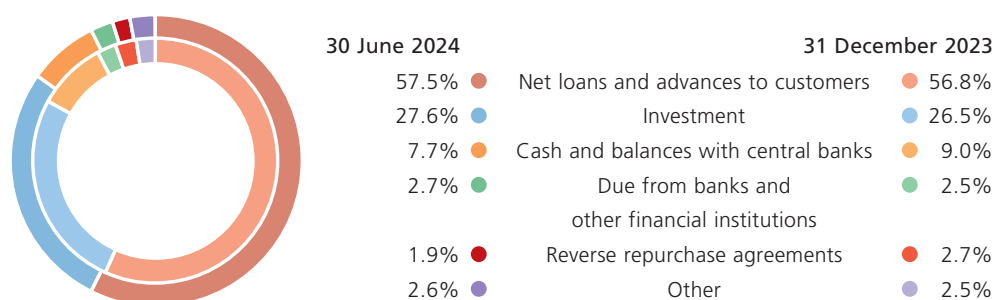
In the first half of 2024, the Bank earnestly implemented the macroeconomic and financial policies and regulatory requirements, made efforts to build a clean and healthy balance sheet by dynamically optimizing the strategies for total assets and liabilities and structural distribution, and strove to achieve a dynamic balance of value creation, market position, risk control and capital constraints.

The Bank insisted on improving the supply of high-quality finance. Focusing on the modern layout, the Bank adhered to the integrated development strategy of investment and financing, and allocated more resources to the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance as well as major strategies, key areas and weak links. The Bank supported to accelerate the development of new quality productive forces, and persisted in consolidating the diversified funding source system. It continued to promote the GBC+ projects, built a customer structure coordinated with “large, medium, small and micro enterprises and personal customers”, linked up the capital chain, customer chain, service chain and value chain, and consolidated the foundation for high-quality development of deposits. The Bank continued to improve the fund source mechanism of multiple channels such as financial bonds and NCDs, and promoted the matching of fund source and fund utilization.

Assets Deployment

As at the end of June, total assets of the Bank amounted to RMB47,116,536 million, RMB2,419,457 million or 5.4% higher than that at the end of the prior year. Specifically, total loans and advances to customers (collectively referred to as “total loans”) increased by RMB1,751,068 million or 6.7% to RMB27,837,550 million, investment increased by RMB1,139,254 million or 9.6% to RMB12,988,922 million, and cash and balances with central banks decreased by RMB414,165 million or 10.2% to RMB3,628,128 million.

Structure of assets



In RMB millions, except for percentages

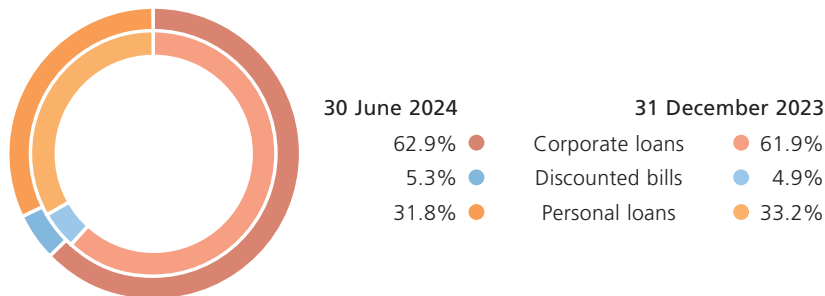
Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	27,837,550	—	26,086,482	—
Add: Accrued interest	58,990	—	56,452	—
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	818,573	—	756,001	—
Net loans and advances to customers ⁽¹⁾	27,077,967	57.5	25,386,933	56.8
Investment	12,988,922	27.6	11,849,668	26.5
Cash and balances with central banks	3,628,128	7.7	4,042,293	9.0
Due from banks and other financial institutions	1,261,401	2.7	1,116,717	2.5
Reverse repurchase agreements	909,808	1.9	1,224,257	2.7
Other	1,250,310	2.6	1,077,211	2.5
Total assets	47,116,536	100.0	44,697,079	100.0

Note: (1) Please see “Note 17. to the Consolidated Financial Statements: Loans and Advances to Customers” for details.

Loan

While maintaining stable and controllable asset quality, the Bank made every effort to maintain the stability and continuity of credit supply, conducted the adjustment and optimization of the credit structure, and facilitated the high-quality development with high-quality financial services. The Bank continued to increase credit support for key areas such as manufacturing, sci-tech innovation, strategic emerging industries, green finance, inclusive finance and agriculture-related areas. As at the end of June, total loans amounted to RMB27,837,550 million, RMB1,751,068 million or 6.7% higher compared with the end of the previous year, of which RMB-denominated loans of domestic branches increased by RMB1,742,059 million or 7.1% to RMB26,133,584 million.

Distribution of loans by business line



DISTRIBUTION OF LOANS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans	17,515,667	62.9	16,145,204	61.9
Short-term corporate loans	4,057,155	14.6	3,681,064	14.1
Medium to long-term corporate loans	13,458,512	48.3	12,464,140	47.8
Discounted bills	1,487,340	5.3	1,287,657	4.9
Personal loans	8,834,543	31.8	8,653,621	33.2
Residential mortgages	6,165,376	22.2	6,288,468	24.1
Personal consumption loans	385,362	1.4	328,286	1.3
Personal business loans	1,571,756	5.6	1,347,136	5.2
Credit card overdrafts	712,049	2.6	689,731	2.6
Total	27,837,550	100.0	26,086,482	100.0

The Bank intensified credit support for key areas such as advanced manufacturing, supported traditional enterprises to realize high-end, intelligent and green transformation and upgrading, improved the full life-cycle service system for technology finance, actively supported strategic emerging industries, high-tech industries and other fields, and helped cultivate new quality productive forces. The Bank actively supported key industries such as energy conservation, environmental protection and clean energy, and promoted green and low-carbon economic transformation and development. The Bank actively promoted the implementation and effect of the coordination mechanism for urban real estate financing, supported the reasonable financing needs of real estate enterprises, and increased financial support for the “market-based + affordable” housing supply system. Corporate loans rose by RMB1,370,463 million or 8.5% from the end of last year. Specifically, short-term corporate loans and medium to long-term corporate loans increased by RMB376,091 million and RMB994,372 million respectively.

Focusing on customers’ fund needs and key areas in production and operation, the Bank took various measures to increase the loans supply to small and micro enterprise owners and self-employed businesses. The Bank strengthened digital driving and empowerment, optimized the process of the personal credit consumption loans, and enhanced the availability and convenience of the personal credit consumption loans. Personal loans increased by RMB180,922 million or 2.1% compared with the end of last year. Specifically, personal consumption loans grew by RMB57,076 million or 17.4%, and personal business loans grew by RMB224,620 million or 16.7%.

Please see the section headed “Discussion and Analysis – Risk Management” for a detailed analysis of the Bank’s loans and their quality.

Investment

The Bank actively supported the implementation of national development strategies, stepped up efforts in serving the real economy, coordinated the investment value and prevention and control of interest rate risk, and reasonably arranged the investment types and term structure. As at the end of June, investment amounted to RMB12,988,922 million, representing an increase of RMB1,139,254 million or 9.6% from the end of the previous year. Among these, bonds rose by RMB1,114,092 million or 9.8% to RMB12,471,819 million.

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds	12,471,819	96.1	11,357,727	95.9
Equity instruments	187,144	1.4	187,835	1.6
Funds and other	197,569	1.5	183,391	1.5
Accrued interest	132,390	1.0	120,715	1.0
Total	12,988,922	100.0	11,849,668	100.0

DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Government and central bank bonds	9,586,941	76.9	8,759,237	77.1
Policy bank bonds	812,582	6.5	811,946	7.1
Bonds of banks and other financial institutions	1,362,190	10.9	1,065,147	9.4
Enterprise bonds	710,106	5.7	721,397	6.4
Total	12,471,819	100.0	11,357,727	100.0

In terms of distribution by issuers, government and central bank bonds increased by RMB827,704 million or 9.4% over the end of last year; policy bank bonds increased by RMB636 million or 0.1%; bonds of banks and other financial institutions went up by RMB297,043 million or 27.9%; and enterprise bonds decreased by RMB11,291 million or 1.6%.

DISTRIBUTION OF INVESTMENT IN BONDS BY REMAINING MATURITY

In RMB millions, except for percentages

Remaining maturity	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated ⁽¹⁾	142	0.0	117	0.0
Less than 3 months	912,972	7.3	690,280	6.0
3 to 12 months	1,768,966	14.2	1,495,238	13.2
1 to 5 years	4,654,411	37.3	4,219,958	37.2
Over 5 years	5,135,328	41.2	4,952,134	43.6
Total	12,471,819	100.0	11,357,727	100.0

Note: (1) Refers to overdue bonds.

DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB-denominated bonds	11,588,308	93.0	10,497,153	92.4
USD-denominated bonds	553,736	4.4	554,737	4.9
Other foreign currency bonds	329,775	2.6	305,837	2.7
Total	12,471,819	100.0	11,357,727	100.0

In terms of currency structure, RMB-denominated bonds rose by RMB1,091,155 million or 10.4% over the end of last year. USD-denominated bonds decreased by an equivalent of RMB1,001 million or 0.2%; other foreign currency bonds increased by an equivalent of RMB23,938 million or 7.8%. During the reporting period, the Bank reasonably arranged the currency structure based on changes in currency interest rates and foreign-currency fund positions, in consideration of bond liquidity, security and profitability, and improved the efficiency of foreign-currency fund use.

DISTRIBUTION OF INVESTMENT BY MEASURING METHOD

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial investments measured at fair value through profit or loss	916,147	7.1	811,957	6.9
Financial investments measured at fair value through other comprehensive income	2,641,676	20.3	2,230,862	18.8
Financial investments measured at amortised cost	9,431,099	72.6	8,806,849	74.3
Total	12,988,922	100.0	11,849,668	100.0

As at the end of June, the Group held RMB2,084,463 million of financial bonds¹, including RMB812,582 million of policy bank bonds and RMB1,271,881 million of bonds issued by banks and non-bank financial institutions, accounting for 39.0% and 61.0% of financial bonds, respectively.

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

TOP 10 FINANCIAL BONDS HELD BY THE BANK

In RMB millions, except for percentages

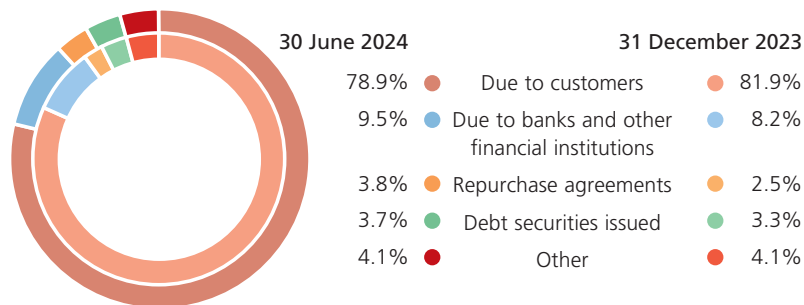
Bond name	Nominal value	Annual interest rate (%)	Maturity date	Allowance for impairment losses ⁽¹⁾
Policy bank bonds 2015	21,967	4.21	13 April 2025	–
Policy bank bonds 2020	19,469	3.23	23 March 2030	–
Policy bank bonds 2022	19,409	2.77	24 October 2032	–
Policy bank bonds 2020	18,042	2.96	17 April 2030	–
Policy bank bonds 2022	17,850	2.90	19 August 2032	–
Policy bank bonds 2019	17,407	3.45	20 September 2029	–
Policy bank bonds 2015	16,516	4.29	7 April 2025	–
Policy bank bonds 2019	16,351	3.48	8 January 2029	–
Policy bank bonds 2020	15,130	3.79	26 October 2030	–
Policy bank bonds 2020	14,299	3.70	20 October 2030	–

Note: (1) Excludes stage 1 allowance for impairment losses set aside in accordance with the expected credit loss model.

Liabilities

As at the end of June, total liabilities reached RMB43,252,035 million, an increase of RMB2,331,544 million or 5.7% compared with the end of last year.

Structure of liabilities



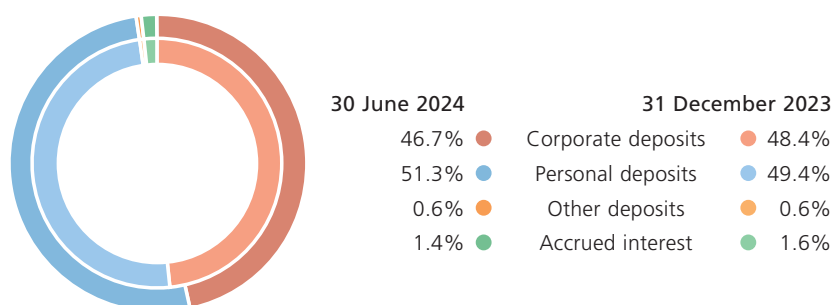
In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Due to customers	34,107,316	78.9	33,521,174	81.9
Due to banks and other financial institutions	4,113,777	9.5	3,369,858	8.2
Repurchase agreements	1,647,326	3.8	1,018,106	2.5
Debt securities issued	1,588,738	3.7	1,369,777	3.3
Other	1,794,878	4.1	1,641,576	4.1
Total liabilities	43,252,035	100.0	40,920,491	100.0

Due to Customers

Due to customers is the Bank's main source of funds. Adhering to the orientation of high-quality deposit development, the Bank solidly advanced the GBC+ projects, exerted its advantages in comprehensive financial services, and continued to build a coordinated ecosystem of "large, medium, small and micro enterprises and personal customers", with the overall stable deposit growth. As at the end of June, due to customers was RMB34,107,316 million, RMB586,142 million or 1.7% higher than that at the end of the previous year. In terms of customer structure, corporate deposits decreased by RMB330,358 million or 2.0%; and personal deposits increased by RMB955,793 million or 5.8%. In terms of maturity structure, time deposits rose by RMB603,812 million or 3.1%, while demand deposits increased by RMB21,623 million or 0.2%. In terms of currency structure, RMB deposits stood at RMB32,394,845 million, an increase of RMB557,010 million or 1.7%. Foreign currency deposits were equivalent to RMB1,712,471 million, an increase of RMB29,132 million or 1.7%.

Distribution of due to customers by business line



DISTRIBUTION OF DUE TO CUSTOMERS BY BUSINESS LINE

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate deposits				
Time deposits	8,556,554	25.1	8,843,237	26.4
Demand deposits	7,323,016	21.6	7,366,691	22.0
Subtotal	15,879,570	46.7	16,209,928	48.4
Personal deposits				
Time deposits	11,372,222	33.3	10,481,727	31.3
Demand deposits	6,149,139	18.0	6,083,841	18.1
Subtotal	17,521,361	51.3	16,565,568	49.4
Other deposits⁽¹⁾	212,811	0.6	210,185	0.6
Accrued interest	493,574	1.4	535,493	1.6
Total	34,107,316	100.0	33,521,174	100.0

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

DISTRIBUTION OF DUE TO CUSTOMERS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	30,458	0.1	32,408	0.1
Yangtze River Delta	6,878,053	20.2	7,120,750	21.2
Pearl River Delta	4,410,998	12.9	4,618,362	13.8
Bohai Rim	9,389,427	27.5	8,811,355	26.3
Central China	5,055,475	14.8	4,855,178	14.5
Western China	5,271,892	15.5	5,219,348	15.6
Northeastern China	1,873,906	5.5	1,768,620	5.3
Overseas and other	1,197,107	3.5	1,095,153	3.2
Total	34,107,316	100.0	33,521,174	100.0

Repurchase Agreements

Repurchase agreements amounted to RMB1,647,326 million, RMB629,220 million or 61.8% higher than that at the end of the previous year, principally because the Bank increased bonds under repurchase agreements and expanded the source of funds in diversified manner.

Shareholders' Equity

As at the end of June, shareholders' equity amounted to RMB3,864,501 million in aggregate, RMB87,913 million or 2.3% higher than that at the end of the previous year. Equity attributable to equity holders of the parent company recorded an increase of RMB86,639 million or 2.3% to RMB3,843,526 million. Please refer to the "Consolidated Statement of Changes in Equity" for details.

Off-balance Sheet Items

The off-balance sheet items of the Bank mainly include derivative financial instruments, contingencies and commitments. For details on the nominal amount and fair value of derivative financial instruments, please refer to "Note 15. to the Consolidated Financial Statements: Derivative Financial Instruments". For details on contingencies and commitments, please refer to "Note 40. to the Consolidated Financial Statements: Commitments and Contingent Liabilities".

Analysis on Statement of Cash Flows

Net cash inflows from operating activities amounted to RMB26,983 million, representing a decrease of RMB1,270,286 million as compared to the same period of last year, mainly attributable to the decrease in net increase of due to customers. Specifically, cash outflows of operating assets decreased by RMB315,672 million and cash inflows of operating liabilities decreased by RMB1,547,766 million.

Net cash outflows from investing activities amounted to RMB788,118 million. Specifically, cash inflows were RMB2,204,541 million, representing an increase of RMB194,048 million as compared to the same period of last year, mainly due to the increased cash proceeds from the sale and redemption of financial investments; and cash outflows were RMB2,992,659 million, representing an increase of RMB525,345 million, mainly due to the increase in cash payment for financial investments.

Net cash inflows from financing activities amounted to RMB182,804 million, of which, cash inflows were RMB923,047 million, representing an increase of RMB204,921 million as compared to the same period of last year, mainly due to the increased cash proceeds from the issuance of debt securities; and cash outflows were RMB740,243 million, representing an increase of RMB253,989 million as compared to the same period of last year, mainly due to the increased cash payment for repayment of debt securities and interest payment of debt securities.

Changes of Major Accounting Policies

For changes of major accounting policies during the reporting period, please refer to "Note 2. to the Consolidated Financial Statements: Basis of Preparation and Material Accounting Policy Information".

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

In respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the six months ended 30 June 2024 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

BUSINESS OVERVIEW

29 Corporate Banking

33 Personal Banking

35 Asset Management Services

37 Financial Market Business

38 FinTech

41 Internet Finance

43 Outlet Building and Service
Improvement44 Human Resources
Management, Employees
and Institutions

46 International Operation

49 Comprehensive Operation

51 Major Controlled Subsidiaries
and Equity Participating
Company

SUMMARY OPERATING SEGMENT INFORMATION

In RMB millions, except for percentages

Item	Six months ended 30 June 2024		Six months ended 30 June 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Operating income	401,999	100.0	428,906	100.0
Corporate banking	187,339	46.6	201,765	47.0
Personal banking	162,451	40.4	168,944	39.4
Treasury operations	49,749	12.4	55,464	12.9
Other	2,460	0.6	2,733	0.7
Profit before taxation	197,184	100.0	203,655	100.0
Corporate banking	92,620	47.0	60,960	29.9
Personal banking	63,520	32.2	103,749	50.9
Treasury operations	38,074	19.3	35,171	17.3
Other	2,970	1.5	3,775	1.9

Note: Please see "Note 42. to the Consolidated Financial Statements: Segment Information" for details.

Corporate Banking

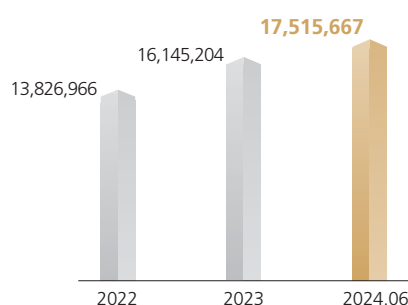
Focused on "addressing the country's needs, giving full play to finance, and tapping into strengths of ICBC, and satisfying customers' expectations", the Bank functioned as the key role in serving the real economy. It optimized the guideline on corporate credit and enhanced the adaptability of credit structure to the real economy, and increased its intensity of corporate credit supply to provide precise and effective financing support to key areas. At the end of June, the balance of corporate loans stood at RMB17,515,667 million, an increase of RMB1,370,463 million or 8.5% from the end of the previous year. The Bank was honored with the "Best Corporate Bank in China" distinction by *Euromoney*, and was recognized as the "Best Project Finance House, China" by *The Asset* for four consecutive years.

Discussion and Analysis

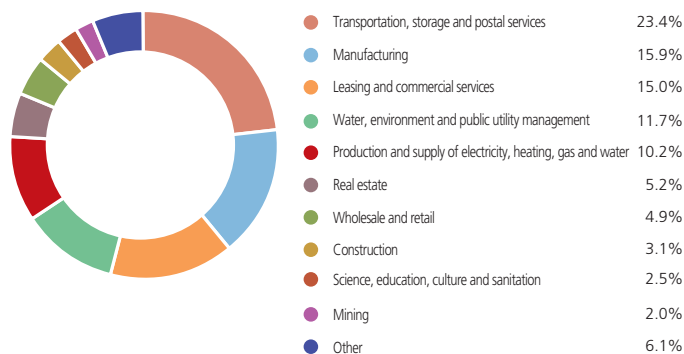
- ✧ Centering on customers, the Bank improved the systematic, specialized, digital, and ecosystem-based marketing services for corporate customers, and accelerated the building of a customer structure composed of “large, medium, small and micro enterprises”, creating a high-quality corporate customer ecosystem. At the end of June, the Bank had 12,847.1 thousand corporate customers, representing an increase of 788.4 thousand compared to the end of the prior year.
- ✧ To facilitate the development of technology finance, the Bank fully implemented the “Chunmiao Action”, providing stronger financing support for sci-tech enterprises throughout their life cycle. The Bank established the Technology Finance Center of the Head Office, strengthened the “equity, loan, debt and insurance” interconnection, granted more loans to Specialization, Refinement, Differentiation and Innovation (“SRDI”) enterprises, and stimulated sci-tech innovation to play the role in driving the modernized industrial system. At the end of June, the balance of loans to strategic emerging industries reached RMB3.1 trillion, representing an increase of nearly RMB400.0 billion over the beginning of the year.
- ✧ The Bank supported the construction of a modernized industrial system and implemented a special action plan of financial services for the manufacturing sector. In line with the project of technological updates and equipment renewals, the Bank has increased its loans to manufacturing, especially medium- and long-term manufacturing loans, so as to support the advanced, intelligent, and green development of the manufacturing industry and cultivate new quality productive forces. At the end of June, the balance of loans to manufacturing was RMB4.4 trillion, an increase of over RMB500.0 billion from the end of the previous year, leading the peers in terms of the balance and increment of loans to manufacturing, as well as medium to long-term loans to manufacturing.
- ✧ The Bank facilitated the sound development of the real estate industry. The Bank well managed urban real estate financing projects and offered financial services to “ensure housing delivery”. It played an active role in the development of policies for local state-owned enterprises to purchase commercial housing for government-subsidized housing, and provided strong support for the construction of the “Three Major Projects” of government-subsidized housing, urban village redeveloping and dual-use public infrastructure that can accommodate emergency needs. The Bank met justified financing demands of real estate enterprises under various forms of ownership on an equal basis, thereby assisting in promoting steady and healthy development of the real estate market.

Corporate loans

Unit: RMB millions



Corporate loans of domestic branches by industry of loan customers



Inclusive Finance

To meet the demands of the real economy, the Bank consistently promoted high-quality development of inclusive finance, and made significant efforts to enhance and perfect the inclusive finance framework. At the end of June, the balance of inclusive small and micro enterprise loans amounted to RMB2,707,378 million, representing an increase of RMB479,626 million or 21.5% from the beginning of the year. Inclusive small and micro enterprise loan customers numbered 1,930 thousand, representing an increase of 463 thousand. The average interest rate for inclusive small and micro enterprise loans granted in the first half of 2024 was 3.40%.

- ✧ Enhancing technological empowerment and deepening digital development. The Bank identified online, intelligent, and intensive development as the core of its inclusive finance strategy, while also increasing investments in and integration of data and technology resources. It consistently promoted the iterations and upgrades of the three core online businesses, namely the credit product “Online Revolving Loan”, the mortgage product “Quick Lending for Operation”, and the transaction banking product “Digital Supply Chain”, and accelerated the expansion of its customer base in lower-tier markets through the credit product “Small-value e Loan”. The Bank took advantage of the new growth momentum brought about by the inclusive edition of mobile banking to expand customer reach and enhance the customer experience, effectively improving the coverage of inclusive customer services.
- ✧ Optimizing comprehensive services and providing thoughtful inclusive services. For seven consecutive years, the Bank conducted the “ICBC Inclusive Finance Travel” campaign, promoting inclusive financial services at industrial parks, enterprises, and markets. The “Credit+” service model was improved to facilitate collaboration and linkage between business lines, offering a comprehensive suite of services for inclusive customers, including account opening, settlement, agency payroll payment, financing, and consulting. The Bank leveraged the “ICBC Business Matchmaking” platform to continuously provide high-quality, online and offline integrated services, including product promotion, supply and demand matching, and financing support.
- ✧ Improving intelligent risk control and adhering to the bottom line of risk management. The Bank developed an intelligent risk control model that is more aligned with the characteristics of inclusive

finance, and strengthened the “One Customer + N Products” risk monitoring system for inclusive business. It enhanced its front, middle, and back office joint prevention and control measures, establishing a precise, efficient, and rapid risk identification and response mechanism. As a result, the quality and efficiency of risk management continued to improve, and asset quality remained basically stable.

- ✧ At the “Sixth Digital Inclusive Finance Innovation Achievements of China in 2023”, which was sponsored by the China Centre for Promotion of SME Development, the Bank won the “Innovation Achievement Award” for its “Quick Lending for Operation 2.0: A New-Generation Digital Platform for Inclusive Credit Loans Based on Openness, Integration, and Intelligence”, as well as the “Excellent Case Awards” for its “Intelligent Agricultural Credit Services Based on Satellite Remote Sensing and Artificial Intelligence Technology” and “ICBC Business Matchmaking: Building a Global Smart Ecosystem for SMEs”.

Institutional Banking

- ✧ The Bank promoted bank-government interconnection to modernize governance capacity through enhanced financial practices. It played an active role in supporting the reform of government institutions, and addressed the financial needs of newly established provincial-level institutions and below by providing high-quality financial services. Solid progress was made in facilitating the direct payments and authorized payments of the central government. For six consecutive years, the Bank received a “Double Excellence” rating in the evaluation of centralized payment agents organized by the central government treasury under the Ministry of Finance. The Bank was actively involved in key areas of “finance + people’s livelihood”, with a particular focus on the comprehensive revitalization of rural areas. The “Digital Countryside” comprehensive service platform currently covers over 1,000 districts and counties, while the “Digital Supply and Marketing” platform serves over 200 supply and marketing cooperatives at all levels. The Bank played a pivotal role in the expansion and improvement of social security services, establishing nearly 5,000 “social security-bank integrated outlets” across China.

Discussion and Analysis

- ✧ Establishing an interbank ecosystem to jointly serve the real economy. The Bank deepened comprehensive and in-depth cooperation with national financial infrastructures and other various major financial institutions in areas such as serving the real economy, risk prevention and control, high-standard financial opening-up, and digital transformation.

Settlement and Cash Management

- ✧ The Bank implemented a series of improvements designed to streamline the account opening process, reduce basic settlement fees, etc. These measures are designed to assist market entities in enhancing operational efficiency and reducing costs, while meeting the financial service needs of enterprises. The Bank offered premium treasury services to its large and medium-sized customers, and provided the three-in-one ICBC treasury service system including treasury financial services, treasury consulting services and treasury digital intelligence platform services, to provide financial support and innovation impetus for the digital transformation of corporate finance. By integrating high-quality resources from both domestic and international sources, the Bank enhanced its advantage in “ICBC Global Pay” services to facilitate the expansion of enterprises into global markets. Moreover, the Bank established an integrated scenario ecosystem, which facilitated the advancement of the “Treasury Management Cloud” and bank-enterprise interconnection businesses, expanded scenario-based digital services, and achieved notable growth of medium-sized customers.
- ✧ The Bank continued to explore the digital transformation of settlement finance, implementing integrated online and offline operations for corporate customers. It focused on building an ecosystem of digitized treasury business, collections and accounting, commodity trading, public services, and other scenarios. It established a settlement financial product system with six modules: corporate accounts and account information services, corporate payment settlement, collection and payment management, liquidity management, corporate customer AUM, and settlement finance interconnection, thereby creating an open, shared, and integrated settlement finance ecosystem.
- ✧ At the end of June, the Bank maintained 14,696.9 thousand corporate settlement accounts, representing an increase of 958.9 thousand over the

end of the previous year. It had 12,157 global cash management customers, and 10,201 “ICBC Global Pay” customers. In the first half of 2024, the volume of corporate settlement business reached RMB1,254 trillion. The Bank won awards such as “Best Cross-border Treasury Management Solution in China”, “Best Cash Management Bank in China”, and “Best Transaction Bank in China” from *The Asian Banker*.

Investment Banking

- ✧ The Bank has accelerated the high-quality development of “value-oriented investment banking” centered on customer needs, strengthened market-wide fund response and promoted the transformation toward “funds + services”. The Bank was named the “Best Investment Bank” in the Asia Pacific region by the *Global Finance*, and its corporate finance advisory service standards were recognized as the “leading” enterprise standards by the China Financial Standardization Technical Committee (“CFSTC”).
- ✧ The Bank actively supported 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. By the number of M&A deals led by the Bank, the Bank maintained its first place in Refinitiv’s ranking of “Financial Adviser for M&A Deals with Participation of Companies from China”, as well as the ranking of “Financial Advisors for Outbound Mergers and Acquisitions Transactions with Participation of Companies from China”.
- ✧ The Bank optimized the full-process service of industrial investment funds, diversified equity investment and financing services, and improved equity valuation services. It enriched the business model of “loans + external direct investment”, and optimized the multidimensional and multi-level equity business system of “primary market + secondary market”, and “financing + consulting”, to enhance financial services for enterprises throughout the whole lifecycle.
- ✧ The Bank assisted in rehabilitating existing assets in line with the needs of governments and enterprises, thereby expanding effective investment and mitigating debt risks. The Bank expanded the full-scenario services for asset securitization and publicly-offered REITs, and promoted the real economy enterprises to reduce leverage, stabilize investment and make up for deficiencies.

- ◇ It leveraged the Group's strengths in industry research, risk management, and FinTech resources to provide customers with professional consulting services, including Management Consulting, Transaction Advisory, Financial and Risk Management Advisory, Information Services, etc., thereby enhancing the quality and efficiency of customer development.
- ◇ The Bank continued to lead the market in bond underwriting business. In the first half of 2024, it underwrote 1,059 domestic bond projects, with a total value of RMB769,533 million. In the first half of 2024, the Bank underwrote 41 manufacturing bonds, raising fund of RMB92,100 million. In addition, it provided targeted support to green development, rural revitalization, private sector and other key areas. In the first half of 2024, the Bank underwrote 66 ESG bonds, raising fund of RMB241,163 million; 14 rural revitalization bonds, small and micro enterprise bonds, and agro-related bonds, raising fund of RMB109,667 million; and 25 private enterprise bonds, raising fund of RMB55,548 million.

Discounted Bills Business

- ◇ The Bank focused on the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance and the development of new quality productive forces. Leveraging its advantages in discounted bills business, it launched a series of innovative services, including "SRDI Discounting", "Technology Innovation Discounting", "Health and Elderly Care Bills", and "Rural Revitalization Discounting • One-Click". These services are designed to support the development of key strategies, areas, and industries.
- ◇ In the first half of 2024, the business volume of discounted bills reached RMB1,704,002 million, maintaining a leading position in the market.

Personal Banking

In the first half of 2024, the Bank, in active response to changes in the external market, policies and regulatory environments, accelerated the implementation of the strategy of building the "No.1 Personal Bank". The Bank highlighted building "a bank satisfactory to the people" and continuously deepened the "GBC+" projects, with a focus on three key areas: payment settlement, wealth

management, and personal loans. It integrated risk management and customer relations, while advancing the high-quality growth of personal financial services.

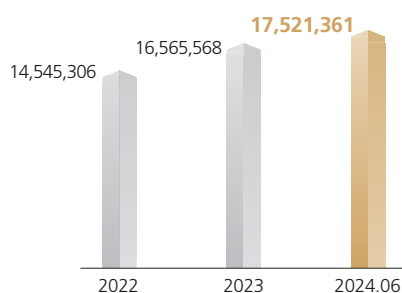
- ◇ Advancing policy transmission and improving the consumption environment. In line with the theme of "ICBC Life and New Consumption", the Bank identified spending on large-ticket items, including automobiles, home appliances, and durable consumer goods, as a key area of focus. Meanwhile, the Bank introduced measures such as loan interest rate discounts, interest rate reductions, interest-free cards, and other initiatives to stimulate household consumption. To enhance the accessibility of payment services in Chinese mainland, the Bank expanded its number of foreign card acquiring merchants to over 200 thousand, distributed 1.53 million "Change Purse", and initiated the construction of 21 payment service centers for overseas visitors. Furthermore, to address the financial requirements of individual merchants, the Bank developed a comprehensive set of four exclusive services to assist them in enhancing operational efficiency, overcoming challenges, reducing costs, and leveraging advantageous policies. Measures were taken to ensure the full implementation of the new policy on residential mortgages. The Bank reinforced city-specific policies and policy transmission, optimized the extension of repayment policy to ensure housing project delivery and protect the legitimate rights and interests of the borrowers.
- ◇ Converting growth momentum and adjusting layout steadily. In terms of personal deposits, the Bank placed a strong emphasis on daily volume and the balance between quantity and price. This strategy enabled the Bank to attract and accumulate low-cost current funds in order to meet customer needs for investment, payment, and repayment, as well as other financial scenarios. In terms of personal loans, the Bank developed a full-process service plan for second-hand housing transactions, which was designed to promote stable growth in second-hand housing loans, expand housing mortgage loan portfolios, and better meet the housing, business, and consumption needs of personal customers. In terms of fee-based business, the Bank broadened the coverage of its wealth management and payment settlement customers by improving product supply, reducing costs, and enhancing efficiency.

Discussion and Analysis

- ◇ Strengthening the foundation for development and enhancing the ecological system. The Bank has implemented a series of strategic initiatives targeting all personal customers. It enhanced the “Intelligent Brain” precision marketing, accelerated development of a performance measurement system, optimized the customer service marketing system, and consolidated the customer management foundation. It also strengthened GBC collaboration, updated payment agency service, expanded financial social security card business and optimized service efficiency. To better serve county-area markets, Generation Z, elderly customers, and other customer groups, the Bank accelerated batch and clustered customer acquisition and improved customer reach. It optimized the personal customer benefits system, launched the “ICBC Gift Enjoyer” value-added service brand for personal customers, and optimized the customer’s mobile banking service experience.
- ◇ Adhering to the bottom line of risk management to improve compliance operations capabilities. The Bank promoted development and security in a well-coordinated way, and consistently improved the intelligent risk control system for personal banking. It implemented several enhancements to its digital post-lending system, launched “Intelligent Search for Personal Loans”, an asset quality penetration monitoring and hierarchical management mechanism, continuously optimized the risk monitoring model, and facilitated the quantitative identification and precise control of risks.
- ◇ At the end of June, the number of personal customers reached 749 million, representing an increase of 8.93 million compared with the end of the previous year. Personal assets under management totaled RMB21.77 trillion, maintaining the leading position in the industry. The Bank was honored with two awards from *The Asset*: the “Best Digital Wealth Management Experience, China” and the “Best Risk Management Project, China”.

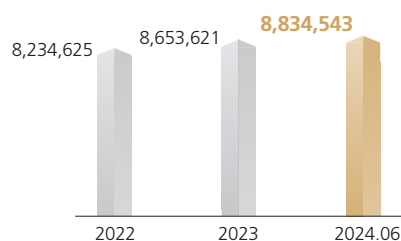
Personal deposits

Unit: RMB millions



Personal loans

Unit: RMB millions



Private Banking

- ◇ Providing robust support for the real economy and making breakthroughs in serving entrepreneurs. The Bank successfully implemented the sci-tech enterprise equity incentive loan in Shanghai, offering enhanced support for senior executives in sci-tech enterprises and fostering innovation and growth within these enterprises. It has set up more than 1,200 “Entrepreneurs Service Centers”, and launched more than 4,000 events. Furthermore, it upgraded its “ICBC e Enterprise+” smart operation platform with geographic information technology, thereby significantly expanding its range of services for entrepreneurs.

- ◇ Promoting diversified allocation strategy to develop a more balanced the asset allocation service system for customers. In response to customer needs, the Bank launched a series of products, including “Sci-tech Innovation,” “Qingshan,” and “Pushan”, with the objective of making strategic investments in advanced manufacturing, SRDI, clean energy, ecological protection, philanthropy, and other fields. The Bank launched the “Equity-based family trust” and updated its charitable trust service model continuously. It has enabled the Bank to develop comprehensive advisory services for family trusts and to further improve the ecosystem.
- ◇ The Bank has been honored with a number of industry distinctions, including “Best Private Bank – National” and “Best Private Bank – Entrepreneurs” from *Asian Private Banker*, “DIGITAL PRIVATE BANK OF THE YEAR” from *The Asset*, and “Best Digital Private Bank in Asia” from the *Financial Times & PWM*. At the end of June, the Bank maintained 296 thousand private banking customers, representing an increase of 33 thousand or 12.6% from the end of the previous year. Assets under management totaled RMB3.41 trillion, an increase of RMB343.6 billion or 11.2%.
- ◇ Promoting diversified allocation strategy to develop a more balanced the asset allocation service system for customers. Furthermore, the Bank comprehensively refined its equity system and introduced “One-click Equity Inquiry”, a new service experience for customers.
- ◇ Providing a more convenient payment service. The Bank enhanced its infrastructure for international card acceptance in a number of strategic locations, including airport terminals, hotels, tourist attractions, shopping centers, and dining establishments. It also optimized the binding of international cards to domestic mobile payment products, achieving a breakthrough in zero acceptance of international cards on cross-border e-commerce platforms in China. In the first half of 2024, the volume of international card acquiring transactions reached RMB7.57 billion, representing a year-on-year increase of 119.9%.
- ◇ At the end of June, the Bank had issued 1,243 million bank cards, up 13.03 million over the end of the previous year, including 1,091 million debit cards and 152 million credit cards. The balance of credit card overdrafts was RMB712,049 million. In the first half of 2024, ICBC bank cards registered a consumption volume of RMB9.93 trillion, including RMB8.87 trillion from debit cards and RMB1.06 trillion from credit cards.

Bank Card Business

- ◇ Expanding domestic demand and boosting consumption. The Bank expanded its financing support through a range of products, with a particular focus on installment products such as automobiles, home decoration, comprehensive consumption, credit card bills, and merchants, and increased the supply of loans in these areas. It implemented a multi-faceted promotional strategy to boost consumer spending, targeting high-frequency and essential consumption scenarios. A series of promotional activities were launched, including “I GO New Year”, “I GO 88 Benefits” and “I GO Global”. The ICBC e Life 7.0 platform continued to evolve in a comprehensive manner, forming a multidimensional non-finance ecosystem that encompasses a range of sectors, including food, car owners, healthcare, pets, cross-border business, and more. The integrated operation system underwent enhancements to streamline operations across online and offline platforms, domestic and international

Asset Management Services

Leveraging on the functional role of asset management services in customer development, asset allocation, serving the real economy, and capital circulation, the Bank provided more adaptive, competitive, and inclusive financial supplies to support high-quality economic development and the growing demand for wealth management. At the product end, it improved the professionalism of financial services such as wealth management, fund, insurance, pension, etc. and developed the “ICBC Asset Management” brand to satisfy customers’ demands for wealth preservation and appreciation. On the investment side, it fully leveraged the license advantages of integrated subsidiaries by increasing investment support in areas like advanced manufacturing, SRDI, inclusive small and micro enterprises, technological innovation, and green development, thereby contributing to the construction of a modern economic system.

Discussion and Analysis

In terms of wealth management, there has been rapid growth among small and micro enterprises, rural areas, and pension customers. The Bank increased support for major strategies and key areas such as technological innovation, advanced manufacturing, low-carbon transition, and circular economy. It launched the first “Technology Financial Bond Index” and implemented green finance-themed wealth management products. By continuously enriching the “Wen Xin Zhi Yuan” product shelf, accelerating the promotion of regular investment plans in wealth management, and developing an inclusive and sustainable fee model, the Bank promoted the integration of wealth management services both online and offline, and widely incorporated them into everyday life scenarios. In terms of mutual funds, the Bank launched various types of products in the first half of the year, including actively managed equity funds, passive index funds, bond funds, and publicly offered REITs, to actively cater to the diverse investment needs of customers. It was among the first in the industry to issue the CSI A50 ETF and its feeder fund, and successfully issued the industry’s first public REITs product themed around the Xiongan New Area concept. At the insurance end, the Bank vigorously expanded the issuance of insurance asset management products and continuously strengthened diversified investment capabilities and project sourcing abilities, resulting in sustained growth in the scale of third-party insurance asset management business, the number of products, and the number of customers.

Wealth Management Services

- ✧ At the end of June, the balance of wealth management products reached RMB1,954,518 million, of which RMB1,746,304 million was the balance of wealth management products of ICBC Wealth Management. Please refer to the section headed “Business Overview – Diversified Operation” for details on the business development of ICBC Wealth Management.

Asset Custody Services

- ✧ The Bank assisted in cultivating new quality productive forces, and increasingly enhanced its financial infrastructure functions. In the first half of the year, the Bank provided custody services for 76 new mutual funds and two new REITs and was selected for the custody of several industrial funds

in the fields of integrated circuits and new energy, etc. At the end of June, the insurance assets under custody totaled RMB7.6 trillion, the mutual funds under custody amounted to RMB4.2 trillion, all ranking first in the industry.

- ✧ The Bank promoted its services for high-level opening up. In the first half of the year, the Bank secured multiple new customer appointments for QFI custody services, and undertook custody for large financial institutions’ QDII fund products. The cross-border assets under custody increased by RMB167.14 billion or 25.7% compared to the end of last year.
- ✧ ICBC was awarded the “Best Mega Custodian Bank in China” by *The Asian Bank*, the “Best Custodian Bank, Onshore, China” and the “Best Custodian Bank-Insurance, China” by *The Asset*. At the end of June, assets under custody (excluding the fund supervision business) reached RMB24.5 trillion, which included assets under administration of RMB2.7 trillion.

Pension Services

- ✧ The Bank established the Pension Finance Department and improved the Pension Finance Committee by setting up a specialized sub-committee for pension asset allocation, further developing a comprehensive mechanism to promote pension finance. The Bank also issued the Action Plan for Promoting Pension Finance Development to deepen and refine pension fund finance, pension service finance, and pension industry finance.
- ✧ In terms of pension fund finance, the Bank exclusively supported the construction of the national pension insurance pooling system and enhanced the online and offline social security service ecosystem, facilitating the inter-provincial handling of social security cards. It promoted the development of pension fund trustee services, account management, custody, and investment management. By actively preparing for the nationwide rollout of personal pensions and deeply being involved in the MOHRSS’s policy improvements, the Bank led the market in both the number of personal pension accounts opened and the total amount of contributions. As at the end of June, the Group’s total pension management scale reached RMB4.46 trillion.

- ◇ In terms of pension service finance, the Bank addressed bottlenecks and steadily enhanced payment convenience for the elderly, earning regulatory approval. It developed a distinctive ecosystem for pension finance outlets, deepening the adaptation of outlet environments to be more elder-friendly, improving the service experience for the elderly, strengthening the operation of pension-related ecosystems, and enriching the benefits of pension financial products. The Bank also created a wealth product system that was both accumulative and suitable for the risk preferences of elderly customers, by building a pension finance community platform, improving pension planning and incorporating retirement community scenarios.
- ◇ Regarding pension industry finance, the Bank issued opinions on investment and financing support for the pension industry, refining investment directions and enhancing comprehensive service capabilities. It continued to increase support for inclusive pension-specific re-lending. Additionally, the Bank developed the “Silver Industry Cloud” platform to support the informatization of pension institutions.

Financial Market Business

Money Market Activities

- ◇ In terms of RMB, the Bank effectively fulfilled its duties as a primary dealer in the open market operations of the PBC. By participating in various monetary policy tool operations, the Bank actively provided funds to the market, assisting in maintaining the stability of the interbank market. To enhance fund operation efficiency, it continuously strengthened policy research and analyzed money market trends, which enabled the Bank to strategically arrange financing terms, business types, counterparties, and collateral structures. Moreover, the Bank reinforced our dynamic management mechanism for counterparty access, strictly implementing comprehensive risk control measures to ensure the safety of funds.
- ◇ Regarding foreign currencies, while ensuring liquidity safety, the Bank flexibly conducted various foreign exchange money market operations to improve the efficiency of foreign currency fund operations. It continued to fulfill its role as a quoting bank for interbank foreign currency lending at the China Foreign Exchange Trade System.

Investment

- ◇ In terms of RMB bonds, the Bank played a leading role as a major state-owned financial institution by continuously consolidating and expanding its advantages in government bond investments, thereby providing strong financial support for economic development. It sustained its investments in corporate bonds within key areas such as green development, advanced manufacturing, and sci-tech innovation, thus maintaining high asset quality and favorable investment returns.
- ◇ In terms of foreign currency bonds, the Bank strengthened its analysis of interest rate and credit spread trends, dynamically adjusting the investment portfolio structure and conducting foreign currency bond investments prudently. Furthermore, it steadily advanced the “Southbound Connect” investment transactions and actively contributed to the liquidity of the offshore RMB bond market.

Treasury Trading Business on Behalf of Customers

- ◇ In terms of foreign exchange settlement and sales and foreign exchange trading, the Bank continued to promote the risk-neutral concept and strongly advocated the third-party guarantee model for foreign exchange derivatives, helping small and micro enterprises reduce hedging costs. It expanded its customer base and increased online activities by continuously optimizing online trading channels. Innovations in currencies and products of foreign exchange settlement and sales services were strengthened, including the introduction of RMBFX forward trading for the Macao pataca, Brazilian real, and Indonesian rupiah, catering to diverse and personalized risk management needs.
- ◇ In terms of the over-the-counter (“OTC”) bond business, the Bank distributed green financial bonds of Export-Import Bank of China and OTC local government bonds of six provinces (autonomous regions and municipalities directly under the Central Government), supporting green finance and regional development.
- ◇ In terms of foreign institutional investors trading business in China’s inter-bank market, the Bank actively served foreign institutional investors from more than 60 countries and regions throughout the world, to meet their needs for investing and trading in China’s interbank market.

Discussion and Analysis

Asset Securitization Business

- ✧ In the first half of the year, the Bank issued one asset-backed securitization project for non-performing loans, with an amount of RMB204 million.

Precious Metal Business

- ✧ The Bank expanded the supply of physical precious metal products. To address the common issue faced by the public of “easy to buy, hard to sell”, it has been increasing the number of gold repurchase outlets, meeting customers’ needs for greater liquidity of their precious metal assets. The Bank developed new products such as the “Gold by the Gram” series and “Victory in Hand” county-specific products to cater to diverse customer needs for purchasing gold.
- ✧ Its efforts also supported the high-quality development of the precious metals industry chain. The Bank better met the gold needs of industry chain enterprises by enriching the range of mid-term gold leasing products and optimizing the term structure. In line with the development of a modern industrial system, the Bank expanded silver leasing services to emerging precious metals applications in sectors such as new energy, new materials, and artificial intelligence.
- ✧ In the first half of the year, the Bank maintained the leading position in both the clearing volume and gold leasing scale at the Shanghai Gold Exchange. It continued to be honored with the “First Prize Winner of the Excellent Financial Member” and the “Best Product Promotion Contribution Institution” by Shanghai Gold Exchange.

FinTech

The Bank continued to harness technological productivity, digital driving forces, and talent creativity to elevate its capabilities. It refined the ECOS digital technology ecosystem to the highest standards and advanced the D-ICBC digital banking ecosystem with stringent requirements. It remained committed to maintaining safety production standards and consolidating its leading position

in technological innovation. Its ongoing efforts to enhance the quality and efficiency of technology-driven services have been recognized with several awards, including “Best Generative AI Technology Implementation” and “Best API and Open Banking Implementation in China” from *The Asian Banker*.

Strengthening the Foundation of Safe Operational Production

In response to emerging financial cyber security challenges and technological innovations, the Bank maintained rigorous safety production standards and advanced its business operation and maintenance framework to enhance network security and data protection. Its information systems remained a high availability rate of above 99.99%, providing a solid foundation for the Bank’s digital transformation.

- ✧ The Bank strengthened the Group’s cyber security defenses. By enhancing overall cyber security management, it improved real-time monitoring and emergency response capabilities to ensure the network stability. Moreover, the Bank focused on technology risk governance, upgrading its layered defense systems, and continuously improving the security of critical information infrastructure. The Bank’s cyber security team improved operational readiness and optimized financial attack-defense exercises to reinforce core capabilities. Comprehensive cyber security inspections were conducted across the Group to elevate overall protection levels.
- ✧ The Bank improved its robust production operations and disaster recovery system. It strengthened its modular operation and maintenance service capabilities with a focus on business perspectives, enhanced change risk management and refined emergency plans and regular drills. Moreover, the Bank improved both local and remote disaster recovery capabilities and enhanced switch efficiency by optimizing lightweight flow control reforms and one-click emergency switch tools. Furthermore, it performed remote disaster recovery drills for multiple applications within business units to validate the practical effectiveness of its disaster recovery measures for critical business systems.

- ✧ The Bank enhanced the data security management. It optimized mechanisms for protecting personal customer information by reviewing and addressing information application functionalities of personal customers and implementing robust technological control measures. An integrated data security promotion initiative was launched across the entire Group, encompassing comprehensive data security training for both the Head Office and branches, domestically and internationally. The Bank initiated the data security classification and grading process in the Group. Data lifecycle security protection measures were implemented across system, terminal, network, and application layers. The Bank developed data security monitoring and traceability capabilities, achieving automated data verification and establishing a systematic emergency response and handling mechanism for data security risk events. Additionally, the Bank built proactive protection capabilities with big data security gateways, enabling stringent controls such as sensitive data identification, access control, and watermarking protection.

Enhancing the Innovative Technology Driving Capabilities

Upholding the philosophy of technology self-reliance and self-improvement, the Bank advanced the iterative optimization of the ECOS digital technology ecosystem, tackled critical core technologies to stimulate digital innovation and transformed research achievements into business value, so as to create a high-quality development engine for the entire bank. In the first half of the year, the Bank led the industry in the number of granted invention patents. In the PBC's 2023 annual selection of "leading enterprise standards" in the financial sector, the Bank's standards in ten areas were recognized, including online banking services, mobile financial client applications, commercial bank application programming interface (API) services, financial distributed ledger technology applications, financial product information and advisory services, smart financial services, and financial data governance capabilities.

- ✧ The Bank built a safe and robust technological architecture. With efforts centered around the goals of creating a resilient architecture, integrating intelligent data, ensuring security and control, developing cloud infrastructure, and achieving

flexible agility, the Bank continuously refined the ECOS digital technology ecosystem. The Bank implemented cloud infrastructure across the Group, advancing the construction of the "One Cloud, Multi-Compute" new computing power infrastructure and iteratively optimizing its distributed technology system. Its core domestic systems fully migrated to a single-track distributed architecture. The Bank expanded the computing power and storage capacity of its big data platform, achieving unified resource allocation and centralized supply, which significantly improved data timeliness. It scaled the application of real-time data warehouses, thereby realizing "comprehensive, accurate, fast, and easy" data supply capabilities to meet the real-time data needs of customers and employees.

- ✧ The Bank accelerated the research and application of cutting-edge technologies. With the construction and enablement of large model technology deepening, the Bank became the first financial institution to complete enterprise-level financial large model full-stack autonomous training and inference deployment, develop the secondary training of large models for the financial industry and enterprises, and establish a high-quality, multidimensional, large-scale financial training data set with strong capabilities in understanding financial domain knowledge and analytical reasoning. Moreover, the Bank integrated large model technology deeply into its business, enabling innovative applications across multiple fields. It has empowered the entire process of investment, financing, and trading in the financial markets, significantly improving business processing efficiency. The Bank also developed intelligent marketing assistants with features such as product Q&A and marketing campaign design to support precise customer marketing. The Bank deepened the application of cross-institutional privacy computing scenarios, launching transaction verification services on interbank data sharing platforms in Beijing, Shanghai, Zhejiang, and five other provinces and cities. By actively exploring quantum technology applications, the Bank completed international trials of quantum-resistant cryptographic algorithms in scenarios like digital signatures and transmission encryption and demonstrated the feasibility of implementing these algorithms.

Reinforcing the Financial Service Capabilities

The Bank fully implemented national strategic deployments, focusing on serving the real economy, controlling financial risks, and converting digital innovation outcomes into tangible business value. It strengthened the D-ICBC digital banking brand, accelerating the cultivation of new quality productive forces and advancing digital finance.

- ✧ Internal and external service platforms were continuously optimized and a distinctive “digital financial service window” was created. Its open banking efforts focused on key areas like “assisting farmers, benefiting the people, prospering enterprises and optimizing governance with digitalization”, exploring new models of ecological cooperation. The new version 9.0 of mobile banking app expanded market influence, with growing customer numbers and active user engagement, thus solidifying the Bank’s leading position. The Bank also accelerated the ecosystem construction of ICBC e Life version 7.0, enhancing cross-border, cultural tourism, government affairs, and healthcare services and integrating financial and non-financial experiences. The Bank optimized internal service platforms by innovating and promoting counter services and fully advancing outlet business appointment services across the entire bank. It upgraded and optimized its Marketing Express; the personal Marketing Express enhanced core functions, while the corporate Marketing Express improved evaluation indicator management capabilities. The ICBC e Office introduced new features, increasing the proportion of mobile-enabled services.
- ✧ The Bank concentrated resources on five key breakthrough areas. It innovated employee empowerment models and deepened its comprehensive customer service system. The Bank advanced the construction of an open financial product system, improved product agreement management views, and promoted treasury and financial management cloud systems, maintaining a leading position in treasury customers. The Bank made all efforts to prepare for the nationwide promotion of personal pensions by optimizing digital inclusive finance and pension services and launching innovative loan products such as “e-Quick Loan” and “Breeding e Loan”. It progressed in developing an enterprise-level intelligent risk control platform, achieving significant milestones in system development, which improved the foresight, precision, and effectiveness of risk

prevention and control. Branch support platforms were strengthened, management processes were optimized, and strategy support was enhanced, which better satisfied the needs of branches in ecosystem scenario expansion of data usage, operations, connectivity, outreach.

- ✧ The Bank placed a strong emphasis on the financial infrastructure construction. In payment and settlement, it improved the “ICBC Global Pay” function to meet the specialized needs of overseas branches and expanded the scope of overseas payment direct channels. Regarding asset custody, the Bank developed a new generation of global custody system plans, enriched direct connection business types, and continuously improved direct interaction capabilities with external markets.

Improving the Technological Innovation System

The Bank implemented the national decisions on the reform of sci-tech system and mechanism and the building of sci-tech talent team. It deepened foundational technology governance, and improved innovation mechanisms, with an aim of building a diverse, innovative, and practical talent team to provide a solid foundation for high-level self-reliance and strength in financial technology.

- ✧ The Bank was committed to solidifying and detailing its technological governance framework. The technological risk management mechanisms were enhanced to improve the digitalization of risk management processes. The Bank adhered to comprehensive risk management requirements by strengthening production and deployment coordination and version quality assurance and addressing safety risks from their source. It advanced the management of technology assets and refined the boundaries of technology resource management. By improving product operations and post-evaluation processes, the Bank enhanced the effectiveness of technology management in the new environment.
- ✧ The financial technology innovation was stimulated. The Bank leveraged the open competition mechanism to incentivize digital transformation innovation. A focus on enhancing research and development capabilities, self-controlled technology, and rewarding innovative projects that played key roles in business breakthroughs, process optimization, and risk control fostered the emergence of highly innovative and value-creating digital solutions.

- ◇ A high-level technology and data talent pool was established. By tapping into the “Tech Elite” brand and centralized training mechanisms, the Bank accelerated the implementation of financial technology talent programs, continuously optimized the structure of its technology talent pool and intensified the recruitment of high-end talent in areas such as cyber security and data security, thereby maximizing the value of high-end talent. Moreover, it strengthened the cultivation of digital genes and consolidated the data talent base. The data analyst team covered all professional lines, domestic and overseas institutions and subsidiaries, forming a digital talent base with distribution in primary, medium-grade and senior tiers and organic combination of full-time and part-time jobs. The Bank deepened the integration of business, data and technology by promoting cross-institutional and cross-departmental talent exchanges both domestically and internationally. This integration facilitated mutual development of technological innovation and business operations. Besides, the Bank organized data elite practice projects, data analyst competitions, etc., produced high-value data results and continued to improve the momentum of digital development. Concentrating on the theme of “digital finance”, the Bank organized a training program for data leadership management personnel, focused on training for financial technology and digital transformation and continuously developed the layered training for digital talents.

Internet Finance

Aiming at the overall arrangement for “five transformations”, the Bank deepened the building of a digital financial service and operation system. In the first half of 2024, digital business accounted for 98.9% of the total.

- ◇ The Bank is committed to developing a mobile banking “By Your Side and As Your Trust”. It successfully held the Mobile Banking 9.0 launch, enhancing its market influence and reputation among customers. The Bank enriched the service content on the homepage of mobile banking embed with video services, and launched an immersive mode on the homepage. The Bank enhanced the capability of full-journey wealth companionship,

and launched services such as wealth select, wealth activities, wealth focus, and wealth academy. The Bank improved the payment convenience for overseas visitors to China and the elderly, added scenarios such as audio and video verification and resetting of debit card passwords for customers in Hong Kong SAR, Macao SAR, and Taiwan, China, launched services suitable for the elderly, such as family accounts and child agency, and expanded the scope of same screen assistance and intelligent voice support. At the end of June, the Bank ranked first in the industry in terms of the scale and activity of personal mobile banking customers. It paid more attention to the contribution of business value, business sustainability, and high-quality development. In response to the popularization of online and digital services for customers, mobile banking was playing a pivotal role in serving the daily life of customers, with a peak number of daily active customers exceeding 43.00 million. The Bank was awarded the “Best Mobile Banking Service in China” by *The Asian Banker*.

- ◇ Expanding the coverage and improving the efficiency of open banking. Focusing on “benefiting the people, prospering enterprises, optimizing governance and assisting farmers with digitalization”, the Bank promoted the “digital financial partnership” event, actively explored the new customer development model of “ecological chain, industrial circle, and large platform” and the integrated financing model of “data driven + scenario integration”, and promoted the formation of data-driven industry solutions based on key scenarios such as industrial internet, freight logistics, cotton industry chain, and shipping market. It empowered the industry-leading platforms with digital financial services. Based on the construction of core basic platforms of corporate online banking and mobile banking, the Bank applied intelligent technologies such as large models and big data to develop smart managers for enterprise operation, in order to alleviate the pain points and difficulties of small and medium-sized enterprises in digital transformation. At the end of June, the Bank had 15.81 million corporate internet banking and mobile banking customers, including 6.97 million monthly active customers, ranking first in the industry in terms of the scale and activity of customers.

Discussion and Analysis

- ✧ Deepening the new layout of digital operations. The Bank optimized “Zhike”, an enterprise-level digital operation platform, and carried out intensive operations focusing on long-tail, payment agency, county area, inclusive, Z-generation, and SRDI customers. Relying on mobile banking, it carried out more than 300 online activities, promoted the “customer + product + channel + equity” integrated accessibility to customers, and continuously reinforced the building of a digital operation team, to make digital financial services accessible to more customers.
- ✧ Fully upgrading the intelligent remote banking. Focusing on intelligent service innovation, the Bank comprehensively channeled “12378” regulatory complaints, enhanced one-stop business processing and problem solving capabilities, and continuously expanded intelligent services and remote audio and video integrated service scenarios. It accelerated the application and promotion of technologies such as large models in the field of digital customer service, and maintained industry-leading manual answering rate and intelligent diversion rate of remote banking calls, thereby providing continuous and high-quality financial services for all customers. Focusing on the upgrading of digital operations, the Bank deepened the construction of a customer-centric and data-driven digital operation system, and leveraged the advantages of online platforms in terms of traffic, data, and accessibility, to help maintain, expand, and improve the quality of customers. Focusing on business empowerment support, the Bank actively cultivated new capabilities such as intelligent calling, new media content production, and intelligent training support, further empowering business development and highlighting the value of brand promotion.
- ✧ Serving rural revitalization online. The Bank upgraded the ICBC “Xingnongtong” online accessible service system, comprehensively improved financial services, helped promote financial services in rural areas, and offered online services to over 174 million county and rural customers in total. The Bank established a unified county and rural user data monitoring system, improved user tags and customer portraits, and enhanced accessibility services for county and rural customers.
- ✧ Continuously promoting enterprise risk management of internet finance services. The Bank enhanced the intelligent risk control capability of online platforms and improved the accuracy and effectiveness of risk management, relying on digital means such as big data and artificial intelligence. The Bank strengthened the dynamic management of e-banking payment limits, promoted the risk control measures of facial recognition for corporate internet banking and mobile banking, dynamically optimized the intelligent risk identification and prevention mechanism for online transactions, and actively responded to new fraud risks relying on new technologies such as device fingerprints and remote audio and video, thereby effectively ensuring customers’ fund security. The Bank continuously strengthened anti-money laundering and customer information protection related to internet finance, and enhanced information monitoring and business continuity management of online platforms.
- ✧ The pilot promotion of e-CNY achieved steady progress. In terms of digital government services, the Bank took the lead in implementing the “All-in-One Code” payment of real estate transaction taxes and fees in e-CNY, achieving a new breakthrough in the unified and standardized payment of taxes in e-CNY to electronic tax bureaus nationwide, and allowing the payment of state-owned capital gains in e-CNY. In terms of serving the real economy, the Bank innovatively launched a e-CNY factoring supply chain financing solution, enabling national insurance institutions to build e-CNY premium acquiring channels and raise funds from corporate bonds in e-CNY. In terms of ensuring people’s well-being, the Bank collaborated with the mainstream internet platforms to launch the “e-CNY Change Purse” reservation consumption service embedded with the smart contract on prepaid fund management, and accelerated the innovative application of e-CNY hardware wallet in overseas people’s payment, rail transit, smart parks and other fields in China. In terms of cross-border pilot projects, the Bank prudently embarked on the initial operation of minimum feasible products for the Multilateral Central Bank Digital Currency Bridge (“m-CBDC Bridge”), orderly expanded pilot e-CNY projects in Hong Kong, China, and deeply participated in the construction of digital platforms for shipping trade. In the first half of 2024, major indicators of e-CNY personal wallets and corporate wallets remained at the forefront in the market.

Outlet Building and Service Improvement

- ✧ The Bank took solid steps to promote the optimization of outlets. While strengthening the management of outlet access and control of total number of outlets, the Bank continuously optimized the layout and structure of outlets, made good use of existing outlet resources, and improved the compatibility between outlet resources and regional socio-economic resources. In the first half of 2024, 209 outlets were reorganized, and 22 outlets were set up in key areas of cities with relatively insufficient service supply. The Bank increased outlets in county-level areas, covering four counties where there were no ICBC outlets previously. The coverage rate of county-level outlets increased to 87.0%. At the end of June, the Bank had 15,453 outlets, 20,517 self-service banks, 76,918 intelligent devices and 51,621 automatic teller machines (“ATMs”). The transaction volume of ATMs reached RMB2,234.4 billion in the first half of 2024.
- ✧ The Bank continuously improved the services of its outlets. The Bank carried out the campaign of outlet service improvement year with the theme of “Serve as You Like in Forty Years”, embarked on the construction of outlets specializing in pension finance, and continued to further standardize outlets’ pension finance services and services for the elderly. It continuously enhanced “ICBC Sharing Station+” public welfare services for the benefit of the people, and organized 15 thousand ICBC Sharing Stations to serve key groups such as outdoor workers, students participating in senior high school and college entrance examinations, and the elderly. It enriched the planning of ICBC Sharing Station-themed activities, and orderly promoted the theme activities, including the “For Concern and Love” Volunteer Service Month and “Live a New Life with ICBC Sharing Station”. In the first half of 2024, the Bank carried out 46 thousand activities and served 2.70 million key customers and people.
- ✧ The Bank advanced the reform of outlet operation in an all-round way. The functions of the “Counter Express” platform have been constantly improved, and an integrated remote and on-site outlet business handling capability has basically taken shape. It continued to deepen full-journey customer services, deeply applied online booking and identification and guidance services in stores, and served more than 25.00 million online and offline booking customers in the first half of 2024. Scenario-based transformation and process reengineering were implemented for business operations such as account opening and closure, foreign exchange remittance, and inheritance, to constantly enhance customer service capabilities. Continuous efforts were made to advance the digital transformation of cash operations, and a new deposit service mode – cash packaging was launched, realizing packaging handover in outlets and counting and accounting in cash centers based on customers’ online ordering. A centralized physical delivery service model covering 18 high-frequency personal and corporate delivery scenarios has been effectively established and put into operation in Hebei, Sichuan and Shenzhen branches on a trial basis. The Bank fully promoted the “Change Purse” service, established a regular service mechanism, and distributed a total of 1.53 million “Change Purses” to customers, with a total amount of RMB0.54 billion. The Bank continuously enriched the scenarios of self-service channels to improve customer experience, and promoted the brand-new user interface (version 3.0) of intelligent devices. The Smart teller machines added the level-1 column of “Life/Government Service”, introducing the All-in-One Network and government services with local characteristics. The function of “National Government Service Navigation” was rolled out, providing various life and government Apps and applets of national authorities, and making them the “government service halls” by the side of customers. The Bank completed the nationwide promotion and service upgrading of personal and corporate credit report queries through intelligent devices, supporting real-time queries and services for customers.
- ✧ The Bank expedited all-channel layout and promoted channel coordination. The Bank deepened the online and offline integrated operation model, covering 35 high-frequency personal and corporate transactions in five major sectors, i.e., physical goods, information, cash, accounts, and foreign exchange. In the first half of the year, the Bank provided customers with over 34.50 million high-quality and convenient services featuring “one-point access, all-network response”, with an online substitution rate of over 90% in key scenarios. “Intelligent Journey” digital employees have been integrated into both online and offline channels, serving customers over 540 million times in the first half of 2024.

- ✧ Digital empowerment was deepened to open up new prospects in operation services. The Bank accelerated the construction of digital and intelligent processes for paper confirmation service, to effectively meet customers' needs for confirmation service and help improve audit efficiency. It comprehensively promoted the application of services such as "service for taxpayers" and "Cloud Form Filling", with a total of 1.15 million online one-stop bank-tax service transactions in the first half of 2024. The Bank accelerated the application of intelligent technologies such as digital customer service in business guidance, customer verification, risk prevention and control, and achieved intelligent audiovisual monitoring and warning of operational risks such as operation on behalf of customers and substitution operation. The Bank continuously deepened the construction of the "ICBC Account Link" service brand, provided a series of financial services for digital accounts catering to the needs of market development and customers' full-chain operations, and launched more than 10 characteristic service models, including convenient account opening for institutional customers and integrated local and foreign currency account services. The Bank deepened the management and optimization of digital experience, increased the application of AI and big data analysis, and continuously strengthened the mechanism for coordinating and supervising the rectification of problems. Relying on the Double-voice Customer Experience Management System (including feedback of customers and voice of employees), it promoted the digital transformation of customer experience management, and quickly and effectively solved customer experience problems.
- ✧ The Bank comprehensively coordinated the Group's business continuity management. It formulated over 900 business emergency drill plans, issued guidelines for strengthening the business continuity management of overseas institutions, and enhanced targeted management of overseas institutions. The Bank continuously enhanced the emergency response capabilities of outlets during natural disasters. Given the frequent occurrence of natural disasters such as floods, earthquakes, and typhoons in recent years, it updated and revised seven major business types and 18 scenarios in the Business Emergency Plan for Outlets. For the first time, "natural disaster emergency" has been fully included in the plan, to continuously improve the emergency response of outlets. The Bank enhanced the capability of business continuity operation during flood seasons, and strengthened the coordination of

monitoring and emergency response between the Head Office and branches in stormy weather, so as to effectively guarantee the opening rate of outlets, and ensure the continuity of offline customer services.

Human Resources Management, Employees and Institutions

Human Resources Management

- ✧ With the focus on high-quality development of operations, centering on key areas of business development and competition, the Bank allocated human resources in a scientific manner, and improved operating capability by enhancing the quality and efficiency of human resources. The Bank made sustained efforts to serve the real economy, and deepened the building of talent teams specializing in risk control, technology, trade, internationalization, and other fields, with a focus on the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance. It continuously improved talent cultivation, introduction, motivation, and utilization, and strove to build a strong financial talent team that meets the requirements of building the country's financial strength. The Bank expedited the empowerment of sci-tech data, refined organizational functions, and improved the development mechanism for frontline employees to stimulate talent vitality.
- ✧ The Bank continuously optimized the remuneration resource allocation mechanism with value creation as the core, resolutely maintained a fair allocation concept of incentive commensurate with restraints, transmitted the Group's strategic objectives for business management, and allocated more remuneration resources to the grassroots employees, for the purpose of mobilizing and inspiring the business vitality of institutions at all tiers.
- ✧ ICBC developed a series of key training programs, to effectively facilitate training at all levels and continuously enhance the comprehensive quality and performance capability of cadres and employees. The Bank carried out the special training on the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, and held key courses such as case studies on the full-lifecycle services for technology enterprises, seminars on green finance strategies, case studies on digital transformation of inclusive finance, innovation workshops on pension finance, and training on data

- leadership for management personnel, in order to enhance the cadres and employees' financial service capabilities in the new era. Targeting core backbone employees, the Bank carried out key projects such as ability enhancement program for vice presidents in charge of credit (risk officers), Sword Sharpening Program for the discipline inspection line, and training in rotation for outlet heads to help build a professional talent team. Focusing on the growth of talents, the Bank implemented a series of programs including Global Leadership Development Program, ICBC Star Program – Training for New Employees, and Training for New Employee Mentors, building a full-chain, and systematic training system.
- ◇ The Bank actively cultivated and practiced the financial culture with Chinese characteristics. It strengthened the promotion and learning of the financial culture with Chinese characteristics, and produced a series of animated videos, to make the culture deeply rooted in employees' hearts. The practice of the financial culture with Chinese characteristics and rich and diverse cultural activities were carried out throughout the Bank, to make cultural concepts take roots in grassroots organizations. The Bank guided the employees to hold the following principles: be honest and trustworthy, don't cross the bottom line; seek benefits through righteousness, don't seek nothing but profits; stay prudent and cautious, don't succumb to the lure of quick success; uphold fundamental principles and break new ground, don't be diverted out of the real economy; abide by laws and regulations, don't commit any reckless actions.
 - ◇ The Bank actively promoted the building of Clean ICBC in the new era. It strengthened the construction of probity culture research centers, promoted external exchanges and cooperation, built a probity culture research system through collaboration in and out of the Bank, creating an external window and communication platform for Clean ICBC. The Bank established a system of probity culture education base, and coordinated and promoted probity education for employees at all levels. The Bank implemented the "Clean ICBC" special training program, carried out probity education for the "key minority" of the Bank, strengthened political determination, improved disciplinary and legal culture cultivation, and reinforced self-discipline awareness. Moreover, the Bank deepened reform through typical cases studies, strengthened warning education, building a firm ideological defense line against corruption.

Basic Information on Employees and Institutions

- ◇ As at the end of June, the Bank had a total of 408,691 employees, including 386,166 employees in the Head Office and domestic branches and outlets, 6,771 employees in major domestic subsidiaries, and 15,754 employees in overseas institutions.
- ◇ As at the end of June, the Bank had a total of 16,275 institutions, representing a decrease of 22 as compared with the end of the previous year. Among them, there were 15,865 domestic institutions and 410 overseas ones.

GEOGRAPHIC DISTRIBUTION OF ASSETS, INSTITUTIONS AND EMPLOYEES AT THE END OF JUNE 2024

Item	Assets (in RMB millions)	% of total assets	Number of institutions	% of total institutions	Number of employees	% of total employees
Head Office	7,675,863	16.3	28	0.2	21,115	5.2
Yangtze River Delta	11,780,941	25.0	2,508	15.4	59,131	14.5
Pearl River Delta	7,670,444	16.3	1,957	12.0	46,560	11.4
Bohai Rim	7,043,937	14.9	2,635	16.2	63,947	15.6
Central China	5,228,830	11.1	3,396	20.9	75,693	18.5
Western China	6,155,462	13.1	3,599	22.1	82,744	20.3
Northeastern China	1,781,243	3.8	1,608	9.9	36,976	9.0
Overseas and other	4,451,593	9.4	544	3.3	22,525	5.5
Eliminated and unallocated assets	(4,671,777)	(9.9)				
Total	47,116,536	100.0	16,275	100.0	408,691	100.0

Note: Overseas and other assets include investments in associates and joint ventures.

International Operation

The Bank continued to promote global operation, and foster an operation system both in and outside China, integrating local and international currencies. It made efforts to sharpen cross-border financial services, help turn China into a financial robust country and a trader of quality, facilitate RMB internationalization, and actively supported high-quality Belt and Road cooperation and China's high-level opening-up on all fronts.

- ◇ The strategy of becoming the "Preferred Bank for Foreign Exchange Business" was implemented in depth. To help turn China into a trader of quality, the Bank embarked on the "Chunrong Action 2024", and firmly fulfilled its service commitments to improve financial services covering accounts, settlement, financing and exchange and vigorously support the integrated development of domestic and foreign trade. The Bank optimized comprehensive financial services for cross-border e-commerce, providing transparent, convenient, digital, and efficient integrated financial services for new forms of foreign trade, such as payment agencies and cross-border e-commerce. The Bank deepened services for the real economy, satisfied customers' cross-border financial needs in an all-round way, and promoted the structural diversification of foreign investment and foreign trade customers. To serve the cultivation of the "Invest in China" brand, the Bank provided global comprehensive services for foreign-invested enterprises across the entire capital chain and all financial scenarios, and helped attract more long-term capital to develop business in China. The Bank optimized payment services for foreigner in China, enhanced payment convenience, and improved the foreign bank card payment service system, building a diverse, convenient, and smooth cash service system. The Bank actively participated in the reform of the foreign exchange business, continuously improved the efficiency of foreign exchange compliance management, and consolidated the ecological foundation of foreign exchange business, to bolster the high-quality development of such business.
- ◇ To serve the construction of a financial robust country, the Bank made concerted efforts to support a "powerful currency" and a "strong international financial center". The Bank continuously pushed forward the "Chunxu Action" to provide proactive solutions for global market players in cross-border RMB businesses such as cross-border settlement, investment and financing as well as risk management. The Bank gave full play to the positive role of clearing banks in cultivating offshore RMB market, continuously strengthened the construction of clearing infrastructure, enhanced clearing service capabilities, and supported and steered the healthy development of the offshore RMB market. As one of the first batch of pilot banks, the Bank has officially launched a multi-functional free trade account (electronic fence) service in Hainan and Guangdong branches. The Bank pushed forward the account system building supporting separate accounting units in Free Trade Zones, and actively supported the innovative development of cross-border RMB business in Shanghai International Financial Center, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. It 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. In the first half of 2024, cross-border RMB business reached RMB4.75 trillion.
- ◇ International cooperation was enhanced continuously to serve high-standard opening up. As the chair of the BRICS Business Council Chinese Chapter, the Bank lived up to its responsibilities and effectively served the cooperation among enterprises in BRICS countries. The Bank continued to promote the upgrading of China-Europe economic and trade relations relying on China-Europe Business Council (CEBC). The Bank strengthened the Belt and Road Bankers Roundtable (BRBR) mechanism to deepen the high-quality Belt and Road cooperation. The Bank actively served international exhibitions, including China International Import Expo, China Import and Export Fair and China International Fair for Trade in Services. The Bank took full advantage of multilateral international cooperation platforms to actively provide suggestions and participate in the reform of the global financial governance system.

- Global network and cross-border financial service system were continuously optimized. As at the end of June 2024, the Bank had been operating 410 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 256 institutions in 30 countries that have participated in the Belt and Road initiative. The Bank also entered into business relationships with 1,458 foreign banks in 143 countries and regions. Its service network has full coverage of six continents and key international financial centers around the world.
- Stable yet improving performance by overseas institutions amidst a complicated international environment. The Bank 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. The Bank enhanced cross-border servicing capacity and brazed the “YES ICBC” service brand.

MAJOR INDICATORS FOR OVERSEAS INSTITUTIONS

Item	Assets (in USD millions)		Profit before taxation (in USD millions)		Number of institutions	
	At 30 June 2024	At 31 December 2023	Six months ended 30 June 2024	Six months ended 30 June 2023	At 30 June 2024	At 31 December 2023
	Hong Kong SAR and Macau SAR	205,100	201,941	709	636	95
Asia-Pacific Region (except Hong Kong SAR and Macau SAR)	145,919	136,959	927	882	90	90
Europe	89,454	87,215	428	490	71	74
America	46,908	41,367	399	232	153	153
African Representative Office	–	–	–	–	1	1
Eliminations	(52,908)	(50,847)				
Subtotal	434,473	416,635	2,463	2,240	410	413
Investment in Standard Bank ⁽¹⁾	3,694	3,573	226	216		
Total	438,167	420,208	2,689	2,456	410	413

Note: (1) The assets represent the balance of the Bank’s investment in Standard Bank and the profit before taxation represents the Bank’s gain on investment recognized by the Bank during the reporting period.

- As at the end of June, total assets of the Bank’s overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank) were USD438,167 million, indicating an increase of USD17,959 million or 4.3% over the end of the previous year, representing 6.8% of the Group’s total assets. Total loans amounted to USD175,359 million, down USD4,997 million or 2.8%, and due to customers was USD162,587 million, up USD10,692 million or 7.0%. Profit before taxation during the reporting period was USD2,689 million, representing a year-on-year increase of USD233 million or 9.5%, accounting for 9.9% of the Group’s profit before taxation.

DISTRIBUTION OF OVERSEAS INSTITUTIONS

Asia-Pacific Region (except Hong Kong SAR and Macau SAR) Institutions (country/region)



Tokyo Branch (Japan)	Yangon Branch (Myanmar)
Seoul Branch (South Korea)	ICBC (Almaty) (Kazakhstan)
Busan Branch (South Korea)	Karachi Branch (Pakistan)
Mongolia Representative Office (Mongolia)	Mumbai Branch (India)
Singapore Branch (Singapore)	Dubai (DIFC) Branch (UAE)
ICBC (Indonesia) (Indonesia)	Abu Dhabi Branch (UAE)
ICBC (Malaysia) (Malaysia)	Doha Branch (Qatar)
Manila Branch (Philippines)	Riyadh Branch (Saudi Arabia)
ICBC (Thai) (Thailand)	Kuwait Branch (Kuwait)
Hanoi Branch (Vietnam)	Sydney Branch (Australia)
Ho Chi Minh City Representative Office (Vietnam)	ICBC (New Zealand) (New Zealand)
Vientiane Branch (Lao PDR)	Auckland Branch (New Zealand)
Phnom Penh Branch (Cambodia)	

America Institutions (country/region)



New York Branch (USA)	ICBC (Peru) (Peru)
ICBC (USA) (USA)	ICBC (Argentina) (Argentina)
ICBCFS (USA)	ICBC Investments Argentina (Argentina)
ICBC (Canada) (Canada)	Inversora Diagonal (Argentina)
ICBC (Mexico) (Mexico)	Panama Branch (Panama)
ICBC (Brasil) (Brazil)	

Hong Kong SAR and Macau SAR Institutions (country/region)



Hong Kong Branch (Hong Kong, China)	ICBC (Macau) (Macau, China)
ICBC (Asia) (Hong Kong, China)	Macau Branch (Macau, China)
ICBC International (Hong Kong, China)	

Europe Institutions (country/region)



Frankfurt Branch (Germany)	ICBC (London) (UK)
Luxembourg Branch (Luxembourg)	London Branch (UK)
ICBC (Europe) (Luxembourg)	ICBC Standard Bank (UK)
Paris Branch (France)	Bank ICBC (JSC) (Russia)
Amsterdam Branch (the Netherlands)	ICBC Turkey (Turkey)
Brussels Branch (Belgium)	Prague Branch (Czech Republic)
Milan Branch (Italy)	Zurich Branch (Switzerland)
Madrid Branch (Spain)	ICBC (Austria) (Austria)
Warsaw Branch (Poland)	
Greece Representative Office (Greece)	

Africa Institutions (country/region)



Investments in Standard Bank (South Africa)
African Representative Office (South Africa)

Comprehensive Operation

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 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, basic endowment insurance investment manager and mutual fund investment advisor, and was one of the “fully qualified” fund companies in the industry.

- ✧ ICBC Credit Suisse Asset Management actively served the construction of the national pension security system to ensure the preservation and appreciation of pensions, with total pension investment management amount of over RMB860.0 billion. The Company actively served the diversified fund allocation needs of investors, and managed mutual funds of more than RMB810.0 billion. ICBC Credit Suisse Asset Management enhanced full-process customer services and post-investment companionship, deepened the management of customer complaints at source, and continuously promoted investor education, which has been rated as outstanding for six consecutive years in the assessment of the national securities and futures investor education base. At the end of June, ICBC Credit Suisse Asset Management managed 251 mutual funds, and 582 annuities, separately managed accounts and special portfolios, with assets totaling RMB1.91 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 SRDI. It provides a range of financial and industrial services such as transfer of leasing assets, asset trading and asset management.

- ✧ ICBC Leasing continued to rank first among domestic peers in terms of aviation asset value, with its leasing business covering over 90 airlines in more than 40 countries and regions worldwide. It continuously deepened cooperation with COMAC to help domestic aircraft go global. Focusing on serving the real economy, ICBC Leasing provided great support for state-owned backbone airlines and high-quality local airlines. Its maritime business line actively supported the transformation and upgrading of China’s shipbuilding industry and the development of the shipping industry, and facilitated

domestic vessels to “Go Global”. By the end of June, it had provided financing for more than 450 ships built by domestic shipyards. ICBC Leasing actively expanded business in new areas of marine economy, helping China achieve technological breakthroughs in new marine infrastructure and marine technology. In domestic comprehensive leasing business, ICBC Leasing focused on and refined its core business, and continued to strengthen support for key areas of the real economy, such as manufacturing, strategic emerging industries, SRDI, green, private sector, inclusive business, and agriculture.

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.

- ✧ Focusing on insurance business, ICBC-AXA made solid headway in the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. In terms of pension finance, it continued to improve the “product + service” system, implemented the conversion of life insurance and long-term care insurance responsibilities, iteratively upgraded the “Sheng Hua Nian” pension appreciation services, strictly selected cooperative pension institutions, and increased the number of contracted institutions to eight, covering Beijing, Zhejiang, and Shanghai. In terms of inclusive finance, ICBC-AXA enriched the insurance security for flexible and informal employees represented by new citizens, and participated in the construction of the “Shanghai Insurance Code” inclusive platform, providing consumers with inclusive, efficient, and convenient one-stop comprehensive insurance services. In terms of green finance, ICBC-AXA continuously improve its green finance system, incorporated green investment into the overall investment management framework, participated in the research on regional green finance development, and practiced green and low-carbon operation. In terms of technology finance, based on the characteristics of large scale, long term, and strong stability of insurance funds, ICBC-AXA leveraged various investment tools to provide long-term financial support for the incubation of high-tech enterprises and the construction of sci-tech innovation industrial parks. In terms of digital finance, focusing on the upgrading and reengineering of business processes and the innovation and reshaping of business models, ICBC-AXA optimized operation and service efficiency,

Discussion and Analysis

improved customers' insurance consumption experience, and achieved a leap from "days" to "hours" in claim efficiency.

ICBC International

ICBC International is a wholly owned subsidiary of the Bank 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 business layout of corporate financing, investment, sales and trading, asset management, and market research, and made every effort to support the development of the real economy. ICBC International consolidated and enhanced the advantages of traditional investment banking, successfully completed 15 Hong Kong IPO projects and one US stock IPO project, and participated in the issuance of 43 bonds, remaining at the forefront in the market and among comparable peers in terms of underwriting amount of stocks and bonds. It continuously improved the sales and trading product and service system, and was still among the B-class securities firms on the Hong Kong Stock Exchange in terms of the competitiveness of brokerage business. ICBC International optimized and restructured asset management business, and seized the investment opportunities in primary and secondary markets to cultivate distinctive asset management products and services.

ICBC Investment

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

- ✧ By giving full play to its market-oriented 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, deepened government-bank-enterprise cooperation, improved integrated financial services that combine equity and debt, enriched the varieties of debt-for-equity 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 governance improving. 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, effectively improved the governance capabilities 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 regulatory authorities.

- ✧ Adhering to the original purpose of finance, it improved the quality and efficiency of serving the real economy by wealth management. Proactively catering to industry funding needs, ICBC Wealth Management refined expertise, strengthened investment research, coordinated various financial instruments such as bonds, stocks, and non-standard product to vigorously support major strategic and key areas, including technological innovation, advanced manufacturing, low-carbon transformation, and circular economy. It held the Seminar on Banks' Wealth Management Services for New Quality Productive Forces and Release Conference on Technological Financial Innovation Achievements, participated in the preparation for establishment of Beijing Financial Street New Quality Productive Forces Joint Research Center, released the Technology Finance Bond Index, and launched green finance themed wealth management products. It was awarded the "Outstanding Bond Investment Institution" by Shanghai Stock Exchange. ICBC Wealth Management enriched the product shelf of "Wen Xin Zhi Yuan", highlighted the return features of "low volatility and prudence", accelerated the promotion of wealth investment functions, and created an inclusive and sustainable rate model. Its digital transformation has achieved good results. The "Practice of Multi-domain and Cross-platform Data Empowerment in Wealth Management Business" won the "Excellent Solution Award" in the Industry-Finance Cooperation Data Model Algorithm Competition of the MIIT.

WEALTH MANAGEMENT PRODUCTS OF ICBC WEALTH MANAGEMENT THAT WERE ISSUED, MATURED, AND EXISTED DURING THE REPORTING PERIOD

In RMB millions, except for tranches and percentages

Item		At 31 December 2023		Products issued		Matured products		At 30 June 2024		
		Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Percentage (%)
Classified by fundraising method	Publicly offered	1,011	1,552,597	228	120,369	336	178,539	903	1,694,065	97.0
	Privately offered	190	54,880	50	19,681	45	22,141	192	52,239	3.0
Classified by investment type	Fixed-income	906	1,552,905	274	137,740	332	189,957	848	1,708,454	97.8
	Equity	53	5,578	-	-	-	-	50	4,842	0.3
	Hybrid	242	48,994	4	2,310	49	10,723	197	33,008	1.9
Total		1,201	1,607,477	278	140,050	381	200,680	1,095	1,746,304	100.0

DIRECT AND INDIRECT INVESTMENTS OF ICBC WEALTH MANAGEMENT IN WEALTH MANAGEMENT PRODUCTS AS AT THE END OF JUNE 2024

In RMB millions, except for percentages

Asset type	Amount	Percentage (%)
Cash, deposits and reverse repurchase agreements	760,073	41.9
Bond and NCDs	893,118	49.2
Non-standard debt assets	39,364	2.2
Other assets ⁽¹⁾	121,290	6.7
Total	1,813,845	100.0

Note: (1) Other assets include equity assets, financial derivatives, QDII and mutual funds.

Major Controlled Subsidiaries and Equity Participating Company

Major Overseas Subsidiaries

Institution	Principal business	At 30 June 2024			Six months ended 30 June 2024
		Issued share capital/ paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Asia) Limited	Commercial banking	HKD44,188 million	120,707.90	19,722.99	545.14
ICBC International Holdings Limited	Investment banking	HKD5,963 million	7,023.90	1,023.36	(14.08)
Industrial and Commercial Bank of China (Macau) Limited	Commercial banking	MOP589 million	47,448.44	3,871.78	24.93
PT. Bank ICBC Indonesia	Commercial banking	IDR3.71 trillion	2,801.06	426.52	13.42
Industrial and Commercial Bank of China (Malaysia) Berhad	Commercial banking	MYR833 million	1,219.68	300.49	8.49
Industrial and Commercial Bank of China (Thai) Public Company Limited	Commercial banking	THB20,107 million	7,339.09	1,209.16	35.75
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	Commercial banking	KZT8,933 million	751.30	160.32	21.23
Industrial and Commercial Bank of China (New Zealand) Limited	Commercial banking	NZD234 million	1,394.83	198.11	5.68
Industrial and Commercial Bank of China (Europe) S.A.	Commercial banking	EUR437 million	5,813.65	533.01	(6.77)

Discussion and Analysis

Major Overseas Subsidiaries (continued)

Institution	Principal business	At 30 June 2024			Six months ended 30 June 2024
		Issued share capital/ paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
ICBC (London) PLC	Commercial banking	USD200 million	1,599.65	522.02	18.14
ICBC Standard Bank PLC	Banking	USD1,083 million	26,269.96	1,890.01	78.13
Bank ICBC (joint stock company)	Commercial banking	RUB10,810 million	5,378.61	611.72	135.56
ICBC Turkey Bank Anonim Şirketi	Commercial banking	TRY11,032 million	3,066.49	158.66	(25.46)
ICBC Austria Bank GmbH	Commercial banking	EUR200 million	1,373.96	215.35	3.26
Industrial and Commercial Bank of China (USA) NA	Commercial banking	USD369 million	2,922.45	463.01	16.30
Industrial and Commercial Bank of China (Canada)	Commercial banking	CAD208 million	2,062.86	345.26	20.09
Industrial and Commercial Bank of China Mexico S.A.	Commercial banking	MXN1,597 million	492.49	56.71	10.08
Industrial and Commercial Bank of China (Brasil) S.A.	Commercial banking	BRL202 million	478.08	33.17	(1.80)
ICBC PERU BANK	Commercial banking	USD120 million	794.65	133.67	2.76
Industrial and Commercial Bank of China (Argentina) S.A.U.	Commercial banking	ARS318,732 million	5,812.28	1,444.91	197.34

Major Domestic Subsidiaries

In RMB100 millions

Institution	Principal business	At 30 June 2024			Six months ended 30 June 2024
		Issued share capital/ paid-in capital	Total assets	Net assets	Net profit
ICBC Credit Suisse Asset Management Co., Ltd.	Fund management	2	239.23	200.80	13.46
ICBC Financial Leasing Co., Ltd.	Leasing	180	2,946.01	438.95	7.67
ICBC-AXA Assurance Co., Ltd.	Insurance	125.05	3,304.14	159.35	8.38
ICBC Financial Asset Investment Co., Ltd.	Financial asset investment	270	1,752.82	503.32	27.06
ICBC Wealth Management Co., Ltd.	Wealth management	160	216.25	213.91	9.88

Major Equity Participating Company

Standard Bank Group Limited

Standard Bank 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 19.42% 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, Standard Bank recorded total assets of ZAR3,100,316 million and net assets of ZAR280,123 million. It generated a net profit of ZAR24,732 million in the first half of 2024.

RISK MANAGEMENT

53 Enterprise Risk
Management System

54 Credit Risk

61 Market Risk

62 Interest Rate Risk in the
Banking Book

63 Liquidity Risk

64 Internal Control and
Operational Risk

65 Reputational Risk

65 Country Risk

65 Information Technology and
Cyber Security Risk

Enterprise Risk Management System

In the first half of 2024, the Bank remained committed to a “four-pronged” strategy of managing people, funds, lines of defense, and bottom lines. The Bank strengthened the “Five-pronged Risk Management Approach” and continuously optimized its enterprise risk management framework. The Bank refined the risk officer management mechanism, ensuring Head Office departments and institutions have designated risk officers, and enhanced the supervision of their performance. The Bank fortified its lines of defense by optimizing the enterprise risk management evaluation mechanism, solidifying the risk control responsibilities of the first line of defense, and ultimately improving the effectiveness of its overall risk management. By continuously investigating hidden risks, the Bank improved risk response plans and management measures, and responded appropriately to the impact of global market fluctuations and external shocks. The Bank reinforced its defense against information technology and cyber security risk, and accelerated the development of an enterprise-level intelligent risk control platform to enhance its proactive risk identification and early warning capabilities. Furthermore, the Bank strengthened risk control in emerging areas, enhanced risk management for investment and financing partners, and implemented robust risk management throughout the whole life cycle of its products.

Credit Risk

Credit Risk Management

The Bank continued to strengthen the construction of credit risk management policy framework. The Bank kept the intelligent credit risk management solutions of “Three Gates” and “Seven-color Pools”¹ functioning up to high standards. At the “Entrance”, the Bank reinforced the guidance of investment and financing plan, strengthened customer access management, optimized asset allocation and conducted proactive assessments of potential risks. At the “Threshold”, the Bank emphasized portfolio management, implemented closed-loop mechanism of risk monitoring and early warning for all investment and financing businesses, and continuously improved the effectiveness of management throughout the business duration. At the “Exit”, the Bank refined the disposition mechanisms for non-performing assets, strengthened compliance throughout the entire process, and promoted the implementation of non-performing asset recovery plans. The Bank continued to solidify the policy foundation of credit risk management. It revised credit product policies, including those for working capital loans and fixed asset loans, and improved the management and supporting policies for domestic trade finance businesses, such as forfeiting and letters of credit. It strengthened the partner institution management of both domestic and overseas subsidiaries on non-standard businesses, strictly implementing list-based management and limit management. The Bank conducted dynamic monitoring and periodic risk evaluation of the partner institutions, and continued to strengthen management of ongoing cooperation. The Bank carried out supervision and analysis of operation of domestic branches, strengthened the supervision of key personnel’s performance of their duties, and consolidated management accountability.

The Bank accurately grasped the layout and direction of investment and financing business and strengthened credit risk management. In respect of corporate credit business, the Bank continued to guide the optimization of its industrial structure of loan supply, gave more support for areas including strategic emerging industries, advanced manufacturing, sci-tech innovation, and the digital economy, actively bolstered major projects under construction and projects that tackle areas of weaknesses for fields such as transport and new urbanization in line with the “14th Five-Year Plan”, deeply explored and cultivated the green credit market, and supported urban-rural collaborative development in areas such as urban-rural integration, agriculture-related industry chains, and agricultural modernization. The Bank thoroughly implemented the national strategy for coordinated regional development. It kept improving differentiated region credit policies with the focus on serving coordinated regional development strategies, including Beijing-Tianjin-Hebei coordinated development, Guangdong-Hong Kong-Macao Greater Bay Area construction, Yangtze River Delta integration, energizing the central region, comprehensive revitalization of the northeast, and development of the west region. The Bank adhered to a prudent and steady overseas credit asset allocation strategy. To serve the joint pursuit of the Belt and Road Initiative and high-level opening-up, the Bank provided financial services to support high-quality “Going Global” Chinese enterprises and “Bringing in” foreign investment. In respect of personal credit business, the Bank strictly controlled customer qualification access, strengthened loan authenticity investigation, prevented multiple concurrent debts risks, and continuously improved the quality of centralized processing and operation of personal loan businesses. It continued to consolidate the policy foundation of post-loan management, built a digital post-loan system with “two fundamental supports” and “four functional modules”, optimized the personal loan risk monitoring mechanism, and promoted integrated online and offline collection to effectively enhance risk prevention and control capabilities.

1 The intelligent credit risk management solutions of “Three Gates” and “Seven-color Pools” are the systematic summary of the Bank’s management and control ideas on credit risk. “Three Gates” refer to asset selection at the entrance end, asset management at the threshold end and asset disposal at the exit end. “Seven-color Pools” cover seven color pools with risk rating from low to high, which are driven by intelligent risk control and can strengthen holistic coordination of the credit risk management and realize differential and precise risk management by pool, area and segment.

With a focus placed on key areas such as real estate, local government debt, and small and medium-sized financial institutions, the Bank conducted forward-looking analysis, took proactive measures, and effectively managed credit risks. In the area of real estate, the Bank conscientiously implemented macroeconomic control policies and financial regulatory requirements, actively promoted the implementation of the city-specific real estate financing coordination mechanism, and treated all types of real estate enterprises equally in meeting their reasonable financing needs to promote a virtuous circle between finance and the real estate market. The Bank coordinated efforts to manage both new financing and existing businesses, actively responded to changes in the real estate market, continuously optimized the allocation of new financing, effectively controlled risks in the real estate sector, and promoted the high-quality and steady development of real estate investment and financing businesses. The Bank actively and prudently provided financial support to ensure the delivery of pre-sold homes and protected the legitimate rights and interests of housing finance consumers in accordance with the law. In the area of local government debts, the Bank strictly implemented national laws and regulatory policies, and provided financial support for debt management adhering to market-oriented and law-based principles. In the area of small and medium-sized financial institutions, the Bank advanced the building of a joint risk prevention and control mechanism, strictly implemented customer access management, strengthened the tracking of regulatory policies and customer risk monitoring throughout the business duration, and prevented risk contagion.

The Bank deepened the digital transformation of investment and financing management, empowering management decisions and business operations with digital technology. The Bank improved the digital operational management indicator system for investment and financing, promoted the transformation and upgrading of the credit risk monitoring and early warning platform, and optimized the tiered and categorized monitoring and early warning mechanism. The Bank coordinated the standardized construction and personalized innovation of the investment and financing operation management platform, actively explored business application scenarios for advanced technologies such as artificial intelligence and large language models, launched system functions such as the “Policy Express” credit policy service platform and the “Document Express” automatic report generation, and implemented digital products such as legal entity customer and inclusive business monitoring and management dashboards, continuously improving the intelligence level of credit risk monitoring and early warning. The credit risk monitoring system “ICBC e Prevention” won the award of “Best Credit Risk Technology Implementation” by *The Asian Banker*.

Credit Risk Analysis

At the end of June, the Bank’s maximum credit risk exposure without taking account of any collateral and other credit enhancements reached RMB49,057,644 million, representing an increase of RMB2,453,388 million compared with the end of the previous year. Please refer to “Note 43.(a)(i) to the Consolidated Financial Statements: Maximum Exposure to Credit Risk without Taking into Account of Any Collateral and Other Credit Enhancements”.

DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Pass	26,928,035	96.73	25,250,275	96.79
Special mention	534,165	1.92	482,705	1.85
NPLs	375,350	1.35	353,502	1.36
Substandard	92,453	0.33	98,527	0.38
Doubtful	146,692	0.53	116,527	0.45
Loss	136,205	0.49	138,448	0.53
Total	27,837,550	100.00	26,086,482	100.00

According to the five-category classification, pass loans amounted to RMB26,928,035 million as at the end of June, representing an increase of RMB1,677,760 million compared to the end of the previous year and accounting for 96.73% of total loans. Special mention loans amounted to RMB534,165 million, representing an increase of RMB51,460 million and accounting for 1.92% of total loans, up 0.07 percentage points compared to the end of the previous year. NPLs amounted to RMB375,350 million, showing an increase of RMB21,848 million, and NPL ratio was 1.35%, dropping 0.01 percentage points compared to the end of the previous year.

DISTRIBUTION OF LOANS AND NPLS

In RMB millions, except for percentages

Item	At 30 June 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Corporate loans	17,515,667	62.9	295,931	1.69	16,145,204	61.9	292,745	1.81
Short-term corporate loans	4,057,155	14.6	87,376	2.15	3,681,064	14.1	91,426	2.48
Medium to long-term corporate loans	13,458,512	48.3	208,555	1.55	12,464,140	47.8	201,319	1.62
Discounted bills	1,487,340	5.3	-	-	1,287,657	4.9	-	-
Personal loans	8,834,543	31.8	79,419	0.90	8,653,621	33.2	60,757	0.70
Residential mortgages	6,165,376	22.2	37,102	0.60	6,288,468	24.1	27,827	0.44
Personal consumption loans	385,362	1.4	6,373	1.65	328,286	1.3	4,390	1.34
Personal business loans	1,571,756	5.6	14,341	0.91	1,347,136	5.2	11,639	0.86
Credit card overdrafts	712,049	2.6	21,603	3.03	689,731	2.6	16,901	2.45
Total	27,837,550	100.0	375,350	1.35	26,086,482	100.0	353,502	1.36

As at the end of June, corporate NPLs were RMB295,931 million, representing an increase of RMB3,186 million over the end of last year, with an NPL ratio of 1.69%, down 0.12 percentage points. Personal NPLs stood at RMB79,419 million, growing by RMB18,662 million, with an NPL ratio of 0.90%, up 0.20 percentage points.

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

In RMB millions, except for percentages

Item	At 30 June 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Transportation, storage and postal services	3,800,111	23.4	17,468	0.46	3,583,967	24.1	17,530	0.49
Manufacturing	2,579,801	15.9	50,258	1.95	2,351,044	15.8	55,359	2.35
Leasing and commercial services	2,440,184	15.0	45,388	1.86	2,295,720	15.5	43,958	1.91
Water, environment and public utility management	1,903,343	11.7	20,409	1.07	1,722,981	11.6	20,493	1.19
Production and supply of electricity, heating, gas and water	1,659,337	10.2	10,135	0.61	1,594,025	10.7	12,537	0.79
Real estate	852,064	5.2	45,585	5.35	762,226	5.1	40,957	5.37
Wholesale and retail	787,543	4.9	31,492	4.00	679,049	4.6	29,886	4.40
Construction	509,417	3.1	15,647	3.07	432,570	2.9	14,078	3.25
Science, education, culture and sanitation	400,544	2.5	7,352	1.84	383,799	2.6	8,882	2.31
Mining	325,181	2.0	2,255	0.69	295,219	2.0	2,619	0.89
Other	988,631	6.1	18,314	1.85	761,866	5.1	16,474	2.16
Total	16,246,156	100.0	264,303	1.63	14,862,466	100.0	262,773	1.77

The Bank continued to carry forward the optimization and adjustment of the industrial structure of loan supply and stepped up efforts to support the real economy. Loans to manufacturing increased by RMB228,757 million or 9.7% over the end of last year, mainly granted to leading backbone enterprises and key projects in high-end manufacturing such as new-generation information technology, new energy vehicle, and large-scale refining and chemical projects. Loans to transportation, storage and postal services increased by RMB216,144 million or 6.0% over the end of last year, mainly focusing on national comprehensive three-dimensional transportation network planning, and actively supporting the key project

construction of highways, railways, ports and airports, etc. Loans to water, environment and public utility management grew by RMB180,362 million or 10.5%, 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.

The Bank 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.

Discussion and Analysis

DISTRIBUTION OF LOANS AND NPLS BY GEOGRAPHIC AREA

In RMB millions, except for percentages

Item	At 30 June 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Head Office	799,100	2.9	33,938	4.25	754,746	2.9	29,793	3.95
Yangtze River Delta	6,128,306	22.0	43,760	0.71	5,616,187	21.5	36,930	0.66
Pearl River Delta	4,273,693	15.3	65,486	1.53	4,055,692	15.5	57,869	1.43
Bohai Rim	4,606,344	16.5	60,983	1.32	4,285,481	16.4	63,835	1.49
Central China	4,360,241	15.7	46,333	1.06	4,064,415	15.6	43,192	1.06
Western China	5,082,589	18.3	70,538	1.39	4,766,575	18.3	68,298	1.43
Northeastern China	1,131,674	4.1	21,156	1.87	1,082,666	4.2	22,301	2.06
Overseas and other	1,455,603	5.2	33,156	2.28	1,460,720	5.6	31,284	2.14
Total	27,837,550	100.0	375,350	1.35	26,086,482	100.0	353,502	1.36

MOVEMENTS OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

In RMB millions

Item	Allowance for impairment losses on loans and advances to customers measured at amortised cost				Allowance for impairment losses on loans and advances to customers measured at FVTOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001	361	-	29	390
Transfer:								
to stage 1	18,833	(16,802)	(2,031)	-	-	-	-	-
to stage 2	(2,954)	5,860	(2,906)	-	-	-	-	-
to stage 3	(1,584)	(37,018)	38,602	-	-	-	-	-
Charge	43,226	36,496	13,881	93,603	923	-	-	923
Write-offs and transfer out	-	-	(37,851)	(37,851)	-	-	-	-
Recoveries of loans and advances previously written off	-	-	6,911	6,911	-	-	-	-
Other movements	194	256	(541)	(91)	-	-	-	-
Balance at 30 June 2024	400,445	145,032	273,096	818,573	1,284	-	29	1,313

Note: Please see "Note 17. to the Consolidated Financial Statements: Loans and Advances to Customers" for details.

As at the end of June, allowance for impairment losses on loans stood at RMB819,886 million, of which RMB818,573 million on loans measured at amortised cost, and RMB1,313 million on loans measured at fair value through other comprehensive income. Allowance to NPLs was 218.43%, representing an increase of 4.46 percentage points over the end of last year, and allowance to total loans ratio was 2.95%, representing an increase of 0.05 percentage points over the end of last year.

DISTRIBUTION OF LOANS BY COLLATERAL

In RMB millions, except for percentages

Item	At 30 June 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	10,731,100	38.5	10,444,304	40.1
Pledged loans	3,354,584	12.1	2,979,342	11.4
Guaranteed loans	2,842,572	10.2	2,715,345	10.4
Unsecured loans	10,909,294	39.2	9,947,491	38.1
Total	27,837,550	100.0	26,086,482	100.0

OVERDUE LOANS

In RMB millions, except for percentages

Overdue periods	At 30 June 2024		At 31 December 2023	
	Amount	% of total loans	Amount	% of total loans
Less than 3 months	123,303	0.44	107,236	0.42
3 months to 1 year	105,658	0.38	101,889	0.39
1 to 3 years	109,628	0.40	87,118	0.33
Over 3 years	34,777	0.12	34,181	0.13
Total	373,366	1.34	330,424	1.27

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

Overdue loans stood at RMB373,366 million, representing an increase of RMB42,942 million from the end of the previous year. Among them, loans overdue for over 3 months amounted to RMB250,063 million, representing an increase of RMB26,875 million.

RESCHEDULED LOANS

Rescheduled loans and advances measured according to the Measures for Risk Classification of Financial Assets of Commercial Banks amounted to RMB118,579 million, representing an increase of RMB35,856 million as compared to the end of the previous year. Among them, rescheduled loans and advances overdue for over 3 months amounted to RMB7,621 million, representing a decrease of RMB954 million.

LOAN MIGRATION RATIO

In percentages

Item	At	At	At
	30 June 2024	31 December 2023	31 December 2022
Pass	1.36	1.05	1.12
Special mention	24.66	18.61	21.03
Substandard	101.90	61.74	36.62
Doubtful	47.08	77.49	42.55

Note: Calculated according to the Circular on Amending the Definitions and Calculation Formula of Basic Indicators for Off-site Supervision of the Banking Sector issued by the former CBIRC in 2022, and measured at the Group's level.

Discussion and Analysis

Large Exposures Management

In accordance with relevant regulatory rules, the Bank strictly carried out various work on large exposures management in an orderly manner, and further improved the large exposures management framework, including the construction of large exposure management systems, to strengthen large exposures limit management, and to continuously improve large exposures management.

BORROWER CONCENTRATION

As at the end of June, the total amount of loans granted by the Bank to the single largest borrower and top ten single borrowers accounted for 4.1% and 21.2% of the Bank's net capital base, respectively. The total amount of loans granted to the top ten single borrowers was RMB1,017,895 million, accounting for 3.7% of the total loans.

Item	At 30 June 2024	At 31 December 2023	At 31 December 2022
Loan concentration to the single largest borrower (%)	4.1	4.5	3.8
Loan concentration to the top ten borrowers (%)	21.2	23.5	16.0

The table below shows the details of the loans granted to the top ten single borrowers of the Bank as at the end of June.

In RMB millions, except for percentages

Borrower	Industry	Amount	% of total loans
Borrower A	Transportation, storage and postal services	195,944	0.7
Borrower B	Production and supply of electricity, heating, gas and water	175,001	0.6
Borrower C	Finance	114,739	0.5
Borrower D	Finance	109,244	0.5
Borrower E	Finance	95,100	0.3
Borrower F	Transportation, storage and postal services	77,766	0.3
Borrower G	Transportation, storage and postal services	65,984	0.2
Borrower H	Production and supply of electricity, heating, gas and water	64,458	0.2
Borrower I	Transportation, storage and postal services	61,158	0.2
Borrower J	Production and supply of electricity, heating, gas and water	58,501	0.2
Total		1,017,895	3.7

For credit risk capital measurement, please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2024 of Industrial and Commercial Bank of China Limited issued by the Bank.

Market Risk

In the first half of 2024, the Bank continued to deepen the Group's market risk management. Integrating the latest regulatory requirements for capital and best practices, the Bank further enhanced its market risk management framework. It made solid progress in implementing the new capital regulations, fully adopted the new standardized approach for market risk capital measurement, and enhanced its proactive risk control capabilities for financial market businesses. The Bank effectively communicated the Group's risk appetite, applied the measurement results of the new capital regulations, and continued to improve and prudently approve market risk limit frameworks. It deepened the application of its market risk management system, established and improved its model library and management mechanisms, and continuously enhanced the intelligent control of market risk.

Management of Market Risk in the Trading Book

The Bank kept strengthening trading book market risk management and product control, and adopted the value-at-risk (VaR), stress testing, sensitivity analysis, exposure analysis, profit/loss analysis, price monitoring and other means to measure and manage trading book products.

For VaR of the trading book, please refer to "Note 43. (c)(i) to the Consolidated Financial Statements: VaR".

Currency Risk Management

In the first half of the year, the Bank positively responded to environment changes and market fluctuations and adhered to the currency risk neutrality principle. Through measures such as currency swaps and hedging, the Bank actively adjusted foreign exchange exposure size and currency structure, enhanced the currency matching of the Group's foreign currency assets and liabilities, strengthened capital value preservation management, and controlled the currency risk of the Group within a reasonable range.

FOREIGN EXCHANGE EXPOSURE

In RMB (USD) millions

Item	At 30 June 2024		At 31 December 2023	
	RMB	USD equivalent	RMB	USD equivalent
Exposure of on-balance sheet foreign exchange items, net	425,816	58,607	453,471	63,797
Exposure of off-balance sheet foreign exchange items, net	(412,764)	(56,811)	(310,686)	(43,709)
Total foreign exchange exposure, net	13,052	1,796	142,785	20,088

Please refer to "Note 43.(c)(ii) to the Consolidated Financial Statements: Currency Risk" for the exchange rate sensitivity analysis.

Please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2024 of Industrial and Commercial Bank of China Limited issued by the Bank for further information on market risk capital measurement.

Interest Rate Risk in the Banking Book

Adhering to a steady and prudent interest rate risk appetite, the Bank grasped changes in monetary policy cycles and market expectations in a forward-looking manner, refined its dynamic adjustment mechanisms for interest rate risk management strategies, and continued to optimize the asset-liability interest rate exposure and duration mismatch structure. The Bank strengthened its

ability to forecast and manage interest rate fluctuations in domestic and foreign currencies, bonds, and credit markets, continuously enhanced the digital management of interest rate risk, and consolidated the high-quality operating results from balanced, coordinated and sustainable current earnings and long-term value.

Analysis on Interest Rate Risk in the Banking Book

Interest Rate Sensitivity Analysis

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

In RMB millions

Currency	+100 basis points in interest rate		-100 basis points in interest rate	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(27,042)	(86,812)	27,042	102,535
USD	668	(4,036)	(668)	4,437
HKD	155	(157)	(155)	159
Other	1,642	(1,611)	(1,642)	1,523
Total	(24,577)	(92,616)	24,577	108,654

Note: Please refer to "Note 43.(d) to the Consolidated Financial Statements: Interest Rate Risk in the Banking Book".

Interest Rate Exposure Analysis

As at the end of June, the Bank had a positive cumulative interest rate sensitivity exposure within one year of RMB3,404,450 million, representing an increase of RMB50,503 million from the end of the previous year, mainly because of the increase in repriced or matured loans and advances to customers within one year. It had a

positive cumulative interest rate sensitivity exposure above one year of RMB181,296 million, representing a decrease of RMB101,112 million, mainly resulted from the decrease in repriced or matured loans and advances to customers above one year.

INTEREST RATE RISK EXPOSURE

In RMB millions

	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
At 30 June 2024	(7,166,795)	10,571,245	(4,502,743)	4,684,039
At 31 December 2023	(5,622,895)	8,976,842	(4,169,555)	4,451,963

Note: Please refer to "Note 43.(d) to the Consolidated Financial Statements: Interest Rate Risk in the Banking Book".

Liquidity Risk

The Bank adhered to a steady and prudent liquidity management strategy, 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. The Bank 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 the Group's liquidity risk prevention and emergency response capabilities. The Bank also intensified its fund monitoring efforts, maintaining

a proper and sufficient liquidity reserve, ensuring stable and orderly liquidity and customer payments. During the reporting period, the Group's liquidity remained stable.

Liquidity Risk Analysis

The Bank assesses liquidity risk status by comprehensive use of a variety of methods and tools such as liquidity indicator analysis and liquidity exposure analysis.

At the end of June, RMB liquidity ratio and foreign currency liquidity ratio of the Bank were 55.7% and 83.5%, respectively, both meeting the regulatory requirements. Loan-to-deposit ratio was 80.9%.

Item	Regulatory criteria	At	At	At	
		30 June 2024	31 December 2023	31 December 2022	
Liquidity ratio (%)	RMB	≥25.0	55.7	54.5	42.3
	Foreign currency	≥25.0	83.5	88.8	106.1
Loan-to-deposit ratio (%)	RMB and foreign currency		80.9	76.7	76.7

Net stable funding ratio aims to ensure commercial banks have sufficient stable sources of funding to meet the needs for stable funding of assets and off-balance sheet risk exposures. The net stable funding ratio is the ratio of the available stable funding to the required stable funding. As at the end of the second quarter of 2024, the net stable funding ratio was 128.26%, 1.20 percentage points lower than that at the end of the previous quarter, mainly due to the slight decrease in available stable funds.

The daily average liquidity coverage ratio for the second quarter of 2024 was 133.65%, 7.04 percentage points higher than the previous quarter, mainly attributable to the increase in high-quality liquid assets. High-quality liquid assets cover cash, central bank reserve available under stress and primary and secondary bond assets that can be included in the liquidity coverage ratio under the regulatory requirements.

For quantitative information on the net stable funding ratio and liquidity coverage ratio disclosed in accordance with the Capital Regulation, please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2024 of Industrial and Commercial Bank of China Limited issued by the Bank.

As at the end of June, the positive liquidity exposure for less than 1 month narrowed down slightly, mainly due to the decrease of matured reverse repurchase agreements within corresponding term. The negative liquidity exposure for 1 to 3 months narrowed down slightly, mainly due to the increase in matured dues from banks and other financial institutions and lending to other banks within corresponding term. The negative liquidity exposure for 3 months to 1 year expanded, mainly due to the increase of matured repurchase agreements within corresponding term. The positive liquidity exposure for 1 to 5 years expanded, mainly due to the increase of matured financial investments within corresponding term. The positive liquidity exposure for the category of over 5 years expanded, which was mainly due to the increase of matured loans and advances to customers within corresponding term. In the first half of the year, the Bank maintained stable and abundant funds, balanced and steady growth in assets and liabilities, reasonable and appropriate cash flows of various maturities, and safe and steady liquidity operation.

LIQUIDITY EXPOSURE ANALYSIS

In RMB millions

	Overdue/ repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
At 30 June 2024	(15,188,061)	172,809	(959,187)	(2,068,046)	495,974	17,938,078	3,472,934	3,864,501
At 31 December 2023	(14,661,992)	517,820	(1,065,013)	(1,961,803)	299,076	17,033,573	3,614,927	3,776,588

Note: Please refer to "Note 43.(b) to the Consolidated Financial Statements: Liquidity Risk".

Internal Control and Operational Risk

Internal Control

The Bank continued to optimize its internal control mechanism, and strengthened the integration of risk management and internal control. Focusing on key risk areas and critical control points, the Bank consistently enhanced the adaptability and effectiveness of its internal control system. The Bank refined its policies, processes, and procedures for key business and management areas, and improved process control capabilities. Furthermore, the Bank reinforced its data asset management framework and data governance system, solidifying its digital foundation. By enhancing the coordination and synergy of various inspections and supervision efforts, and ensuring the comprehensive rectification of identified issues, the Bank effectively ensured high-quality development and a high level of security across its operations.

The Bank proactively strengthened its compliance culture, continuously optimizing its compliance governance structure. Reinforcing the first line of defense against compliance risks, the Bank further promoted the development of a compliance manager mechanism and established a comprehensive set of compliance management systems. The Bank promoted the implementation of the Overseas Compliance Management (OCM) system in its overseas institutions, implemented comprehensive compliance control requirements for overseas operations, and strengthened the Group's coordinated management of emerging compliance themes such as the prevention of financial crime, third-party management, and climate risk at its overseas institutions. The Bank increased its allocation of resources to compliance efforts, intensified the access management of compliance personnel for key positions, and offered

regular, systematic and diversified compliance trainings. The Bank continued to enhance the IT level of the Group's compliance management, leveraged technologies such as artificial intelligence to optimize and refine its compliance management tools. The Bank conducted rigorous compliance reviews of new products, regulations, and businesses, and executed focused compliance inspections in key areas, ensuring the Group's steady and sustainable development.

Operational Risk Management

The Bank proactively aligned its operations with the latest regulatory requirements for operational risk measurement and management. The Bank revised and improved its fundamental operational risk management policies, refined the data collection standards for operational risk losses, and solidified the quality of this data. The Bank continuously optimized its operational risk management system to enhance its risk control capabilities. Furthermore, the Bank strengthened its long-term mechanism for case prevention, continuously deepened the governance of case risks in key areas, and conducted in-depth case warning education. The Bank reinforced the intelligent and grid-based management mechanism for employee anomaly detection and control, and firmly established the responsibility of relevant parties for investigation and control. During the reporting period, the operational risk control system of the Bank operated smoothly, and the operational risk was controllable on the whole.

Please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2024 of Industrial and Commercial Bank of China Limited issued by the Bank for further information on operational risk capital measurement.

Legal Risk

The Bank continuously strengthened legal risk management, and advanced the level of legal risk management and its prevention and control capabilities, to ensure compliance with the law. According to the requirements of new laws and regulations, it carried out legal risk monitoring and analysis on a regular basis, and supported and safeguarded the sound development of business innovation, to consolidate the prevention and control of legal risks in key areas and links. Moreover, extensive trainings and activities on legal literacy were organized to enhance the Group's employees' awareness of legal compliance.

Money Laundering Risk

In strict compliance with anti-money laundering ("AML") laws and regulations of China and the host countries (regions) of overseas institutions, the Bank sincerely fulfilled the legal obligations and social responsibilities concerning AML. Sticking to the "risk-based" principle and emphasizing the measure of "Joint Management and Control", the Bank ensured the coordinated execution of its three lines of defense against money laundering. The Bank strengthened money laundering risk assessment and control, promoted the integrated development of "due diligence – classification – control" processes, enhanced the digital intelligence of its AML system, and optimized its suspicious transaction monitoring and management system. The Bank also stepped up its AML training and team building efforts, and continuously intensified its management of integrated subsidiaries and overseas institutions, leading to continuous improvement in the quality and effectiveness of the Group's AML management.

Reputational Risk

The Bank deepened the implementation of the Group's reputational risk management rules and requirements, continuously improved the group-wide and whole-process reputational risk management system, continuously improved the reputational risk working mechanism, and improved the quality and efficiency of reputational risk management. It strengthened the normalization of reputational risk management, consolidated the responsibilities of management entities, and deepened

the prevention and control of risk sources and conducted professional training and emergency drills, to continuously improve its comprehensive response and disposal capabilities. The Bank organized and promoted influential brand communication activities, to enhance the Bank's brand image. Hence, the Bank leads the market in terms of brand value and network influence. During the reporting period, the reputational risk of the Bank stood in a stable and controllable range.

Country Risk

The Bank strictly abode by regulatory requirements and, with consideration of its business development needs, continued to strengthen country risk management, in the face of an increasingly complicated and severe external environment. The Bank 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. In line with the latest regulatory requirements and based on its practical experience in country risk management, the Bank revised relevant regulations and procedures. It 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 internationalization.

Information Technology and Cyber Security Risk

The Bank 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. The Bank continuously optimized the information technology and cyber security management policies, and established a dedicated task force mechanism to enhance the Group's overall cyber security capabilities. It strengthened support for information system production and operation, improved contingency plan for information systems, and conducted emergency drills to consolidate the foundation for production and operation safety. During the reporting period, the Bank's overall risks were controllable.

CAPITAL MANAGEMENT

In the first half of the year, the Bank continuously improved scientific capital raising, efficient allocation, precise measurement, long-term constraint and normal optimization management mechanism, and continued to elevate the capital use efficiency. It appropriately conducted capital replenishment, optimized the capital structure and reduced the cost of capital, thus laying a solid capital foundation for the Bank to serve the real economy. The Bank actively responded to the implementation of the New Capital Regulation to realize the smooth switching of regulatory rules and the smooth operation of the capital adequacy ratio. The Bank carried forward the Total Loss-Absorbing Capacity (“TLAC”) compliance work in an orderly manner and successfully issued the first TLAC non-capital bond. During the reporting period, all capital indicators performed well, of which capital adequacy ratio was kept at a sound and appropriate level.

Capital Adequacy Ratio and Leverage Ratio

Since 1 January 2024, the Bank has calculated its capital adequacy ratios at all levels in accordance with the Capital Regulation. According to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, the Bank adopted the foundation internal ratings-based (“IRB”) approach for corporate credit risk and the advanced IRB approach for retail credit risk that met the regulatory requirements, and adopted the weighted approach for credit risk uncovered by the IRB approach, the standardized approach for market risk, and the standardized approach for operational risk.

As at the end of June, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, capital adequacy ratio and leverage ratio calculated by the Bank in accordance with the Capital Regulation stood at 13.84%, 15.25%, 19.16% and 7.80%, respectively, complying with regulatory requirements¹.

¹ The Bank’s capital adequacy ratio and leverage ratio both met the additional regulatory requirements for systemically important banks.

CAPITAL ADEQUACY RATIO

In RMB millions, except for percentages

Item	At 30 June 2024
Common equity tier 1 capital	3,491,035
Paid-in capital	356,407
Valid portion of capital reserve	148,141
Surplus reserve	428,457
General reserve	561,845
Retained profits	1,962,107
Valid portion of minority interests	3,794
Accumulated other comprehensive income	30,284
Common equity tier 1 capital deductions	13,891
Goodwill	8,598
Other intangible assets other than land use rights	8,592
Cash flow hedge reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(3,299)
Net common equity tier 1 capital	3,477,144
Additional tier 1 capital	355,028
Additional tier 1 capital instruments and related premiums	354,331
Valid portion of minority interests	697
Net tier 1 capital	3,832,172
Tier 2 capital	980,234
Valid portion of tier 2 capital instruments and related premiums	545,804
Surplus provision for loan impairment	433,312
Valid portion of minority interests	1,118
Net capital base	4,812,406
Risk-weighted assets⁽¹⁾	25,123,488
Common equity tier 1 capital adequacy ratio (%)	13.84
Tier 1 capital adequacy ratio (%)	15.25
Capital adequacy ratio (%)	19.16

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

(2) In accordance with relevant provisions of the Capital Regulation, no retrospective disclosure of previous data was made.

RISK-WEIGHTED ASSETS

In RMB millions

Item	At 30 June 2024
Credit risk-weighted assets	22,654,841
Parts covered by internal ratings-based approach	14,703,858
Parts uncovered by internal ratings-based approach	7,950,983
Market risk-weighted assets	585,696
Operational risk-weighted assets	1,882,951
Total	25,123,488

LEVERAGE RATIO

In RMB millions, except for percentages

Item	At 30 June 2024
Net tier 1 capital	3,832,172
Balance of adjusted on- and off-balance sheet assets	49,146,136
Leverage ratio (%)	7.80

For more information on capital measurement and leverage ratio of the Bank, please refer to the Pillar 3 Disclosure Report of Capital Management for the First Half of 2024 of Industrial and Commercial Bank of China Limited issued by the Bank.

Capital Financing Management

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

Issuance of Capital Instruments

In April 2024, the Bank received the approval from NFRA, approving the Bank to issue capital instruments of RMB370.0 billion or foreign currency equivalent, including undated additional tier 1 capital bonds of RMB130.0 billion or foreign currency equivalent and tier 2 capital bonds of RMB240.0 billion or foreign currency equivalent.

In July 2024, the Bank publicly issued undated additional tier 1 capital bonds of the size of RMB50.0 billion in the National Interbank Bond Market. The raised funds are used to replenish the Bank's additional tier 1 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

In August 2024, the Bank publicly issued a tranche of tier 2 capital bonds of the size of RMB50.0 billion in the National Interbank Bond Market. All the raised funds are used to replenish the Bank's tier 2 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

Issuance of TLAC Non-capital Debt Instruments

In May 2024, the Bank publicly issued TLAC non-capital bonds of the size of RMB40.0 billion in the National Interbank Bond Market. After deducting the issuance expenses, the funds raised from the bond issuance will be used to enhance the Bank's TLAC in accordance with applicable laws and the approval of relevant regulatory authorities.

For details on the issuance of capital instruments and TLAC non-capital debt instruments of the Bank, please refer to the announcements published by the Bank on the website of SSE, the "HKEXnews" website of HKEX and the website of the Bank.

OUTLOOK

Since the beginning of the year, economic recoveries have been diverging across countries. Inflation in major economies is returning to a desirable level on the whole, but they are still under great inflation pressure. Complicated by the policy impact in the “election year”, major central banks have adopted different paces to interest rate cuts. Uncertainty in the global financial environment continues. China’s economy has grown steadily and maintained growth momentum, macro-policy has continued to release its effect, and efforts have been accelerated to foster new growth drivers and new advantages, providing a sound foundation for operation and development of the financial sector.

In the second half of the year, the Bank will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly implement the guiding principles from the 20th National Congress of the Communist Party of China (“CPC”) and the Second and Third Plenary Sessions of the 20th CPC Central Committee. The Bank will combine strategic heritage and innovation, stick to a blueprint to the end, and remain committed to the path of financial development with Chinese characteristics. Upholding the goal of building a world-class modern financial institution with Chinese characteristics, the Bank will consolidate the strategic layouts of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation” and continue to exert its advantages, fill up the gaps, strengthen the bottom lines and forge new strengths. The Bank will further support the real economy, secure the bottom line of security, improve development quality and effectiveness, and comprehensively boost the capacity for serving Chinese modernization.

The Bank will give more prominence to reform, and centering on its development positioning of the key role in serving the real economy, the ballast stone role in maintaining financial stability, a bellwether in the building of a strong financial institution, and a benchmark bank for implementation of major responsibilities and core businesses, it will comprehensively advance the “five transformations”, namely, strengthening intelligent risk control, improving modern layout, enhancing digital drivers, refining diversified structure, and consolidating ecological foundation. To serve Chinese modernization, the Bank will take solid steps to boost the development of “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance and enhance financial support for major national strategies, key areas and weak links. The Bank will focus on major responsibilities and core businesses such as manufacturing finance, promote the development of new quality productive forces, build financial infrastructure with ICBC characteristics, and forge new comparative advantages. The Bank will continuously improve its quality and strength to realize effective improvement in quality, proper growth in quantity, precise risk prevention and control, and strict compliance with laws and regulations, support high-quality development and promote high-level security with high-efficiency reform, and create greater value return for the nation, shareholders and society.

HOT TOPICS IN THE CAPITAL MARKET

Hot Topic 1: Improving the Quality and Efficiency of Serving the Real Economy and Maintaining Steady Growth in Credit Investment

Since 2024, the Bank has continued to implement economic and financial policies. In keeping with the pace, intensity and focus of investment and financing, the Bank moved faster to revitalize idle funds and promote the transformation and upgrading of credit structure, and achieved high-quality development while improving the quality and efficiency of serving the real economy. In the first half of the year, the balance of RMB-denominated loans of domestic branches of the Bank was RMB26.13 trillion, up RMB1.74 trillion over the year beginning, leading the industry in terms of both amount and growth.

First, consolidating the leading advantage and helping cultivate new quality productive forces.

Focusing on the layout of modernization, the Bank strengthened financial support for major national strategies, fields and projects, and saw an increase of nearly RMB1.4 trillion in the corporate loans of domestic branches at the end of June. Among them, the increase of medium to long-term corporate loans accounted for 72% of the total, up approximately 3 percentage points over the same period of the previous year. The Bank actively participated in major technological transformation and equipment upgrading projects, enhanced comprehensive services for upstream equipment, industrial internet platforms, etc., and grabbed high-quality projects such

as advanced workshops, factories, and supply chains of leading downstream enterprises. At the end of June, the balance of loans to manufacturing reached nearly RMB4.4 trillion, representing an increase of over RMB500.0 billion over the beginning of the year. The balance of long and medium-term loans to the manufacturing industry approached to RMB2.1 trillion, up more than RMB210.0 billion over the beginning of the year. The Bank maintained a leading position among its peers in terms of both the balance and the growth of loans to manufacturing and medium to long-term loans.

Second, refining and subdividing the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance with a focus on the high-quality development. In terms of technology finance,

the Bank took the lead in the industry to establish the Technology Finance Center, and launched pilot products such as R&D loans, innovation credit reward loans, and talent loans. It created three types of characteristic financing scenarios, i.e., “basic and emerging industry loans”, “infrastructure investment loans”, and “sci-tech equity loans”, and stepped up credit support for start-up technological enterprises. The balance of loans to strategic emerging industries amounted to nearly RMB3.1 trillion, representing an increase of nearly RMB400.0 billion over the beginning of the year. The balance of loans to technology enterprises was nearly RMB2.1 trillion, up over RMB330.0 billion over the beginning of the year.

In terms of inclusive finance, the “ICBC Inclusive Journey” special campaign was rolled out, focusing on the adaptation of digital inclusive products. The balance of inclusive loans stood at RMB2.7 trillion, up nearly RMB480.0 billion over the beginning of the year, further increasing its market share in an all-round way. The Bank intensified efforts to promote financing products such as “Grain Planting Loan” and “Planting e Loan”. The balance of inclusive agricultural-related loans was nearly RMB754.7 billion, up more than RMB206.0 billion over the beginning of the year, leading the industry in terms of growth rate.

In terms of digital finance, the Bank strengthened comprehensive financial support for key areas such as the construction of new digital infrastructure, digital technology innovation and weak links, and industrial digital transformation. The balance of loans to core industries of digital economy amounted to RMB911.1 billion, up more than RMB120.0 billion or 15.6% over the beginning of the year.

In terms of green finance, the Bank deeply exploited potential business growth sources in key green areas such as new energy vehicles and photovoltaic industry chains, and improved comprehensive services and risk management related to green finance. The balance of green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion, up more than RMB700.0 billion over the beginning of the year.

In terms of pension finance, the Bank actively met the financial needs of customers in the pension industry, exerted to create a leading pension service brand with ICBC’s characteristics, boosted the high-quality development of the pension industry and steadily increased related loans.

Third, promoting the transformation and upgrading of credit structure with a focus on value creation.

While increasing the proportion of “retail + inclusive” loans, the Bank accelerated the transformation of retail banking through innovating product models, optimizing approval processes, and strengthening the accessibility of online channels. Non-mortgage retail loans, including personal business loans and personal consumption loans, increased by nearly RMB300.0 billion compared to the beginning of the year, maintaining a year-on-year growth trend in the increase amount. The Bank actively promoted the transformation and development of second-hand housing loans, and maintained a leading position in terms of the amount of new mortgage loans issued in the first half of the year. To adapt to economic transformation and upgrading, the Bank made steady progress in revitalizing idle funds, and transferred more than RMB2.0 trillion of refinancing from inefficient areas, effectively improving the efficiency of fund allocation.

Hot Topic 2: Actively Pursuing Interim Dividends to Create Long-term Returns for Shareholders

ICBC, as the largest commercial bank in China, has consistently delivered long-term, sustainable returns on investment for global investors. Since its listing in 2006, the Bank has generated cumulatively over RMB1.4 trillion cash dividends for shareholders, making it the company with the highest dividend payouts on the A share market. In 2023, the Bank's annual dividend totaled RMB109.2 billion, with cash dividends for ordinary shares of RMB3.064 per ten shares (pre-tax). Reflecting its average share price in 2023, the dividend yields for A shares and H shares stood at 6.51% and 8.54% respectively, both markedly higher than the returns on deposits and wealth management products during the same period, highlighting its higher value of the investment.

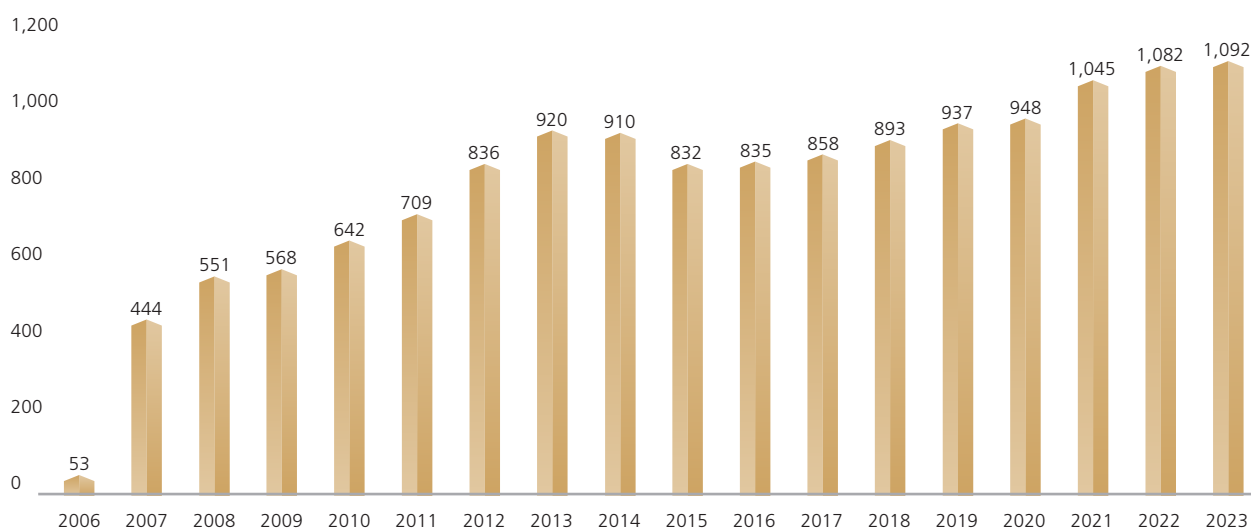
In accordance with relevant laws and regulatory requirements, the Bank's Shareholders' General Meeting in June this year, considered and approved the Proposal on the Relevant Arrangement for 2024 Interim Profit Distribution, and then formulated the Proposal on the 2024 Interim Profit Distribution Plan in consideration of the

Bank's reviewed interim results. In the first half of 2024, the Group reported a net profit of RMB171,296 million, of which the net profit attributable to equity holders of the parent company amounted to RMB170,467 million. It proposed distributing cash dividends for ordinary shares of RMB1.434 per ten shares (pre-tax) of 356,406,257,089 ordinary shares, totaling RMB51,109 million and accounting for 30.0% of the net profit attributable to equity holders of the parent company. Next, the Bank will actively facilitate the relevant corporate governance procedures and provide timely returns to investors.

Since the beginning of this year, ICBC has been furthering its "five transformations" of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation. It has continuously improved quality and efficiency of its operation and development, and built a healthier and cleaner balance sheet and a balanced, coordinated and sustainable income statement. These measures have gradually led to an operating performance with a more reasonable asset-liability structure, more stable asset quality, and stronger value creation capability, so as to realize its own value in comprehensively advancing high-quality development and serving the real economy, thereby delivering sustained and stable returns to shareholders.

Cash Dividends for ICBC Ordinary Shares, 2006-2023

In RMB100 millions



Hot Topic 3: Effective Risk Control in Key Areas and Stable Asset Quality

In the first half of 2024, focusing on preventing risks, strengthening compliance, and promoting development, the Bank continuously reformed and optimized the credit risk control system, and strengthened the whole-cycle credit risk management. Risks in key areas were defused in an orderly manner, and the quality of credit assets remained stable with positive momentum. As at the end of the first half of the year, the Group's NPL ratio was 1.35%, representing a decrease of 0.01 percentage points from the year beginning.

The intelligent credit risk management solutions of "Three Gates" and "Seven-color Pools" were deepened

The Bank continued to improve the intelligent credit risk management solutions of "Three Gates" and "Seven-color Pools", and promoted the transformation and upgrading of credit risk management. At the entrance end, the Bank iteratively applied new credit approval regulations at high standards, and clarified the responsibilities for due diligence and review. The Bank developed a new round of investment and financing plans on major responsibilities and core business, and better integrated national policies, the Head Office's strategies, and regional advantages, while providing policy support to improve the quality and efficiency of serving the real economy. The Bank satisfied the financing needs of major national strategies, key areas, and weak links in a well-targeted way, and achieved growth targets in key areas such as manufacturing, inclusive, agriculture-related, and strategic emerging areas. The balance of green credits by the statistical standard of the NFRA topped RMB6 trillion. At the threshold end, the Bank continuously strengthened the whole-cycle management of credit risk, optimized and built credit risk monitoring models from multiple perspectives, and implemented post-lending monitoring by models online and manually offline. Its duration management was enhanced in respects of investment and financing planning, asset portfolio, concentration, customers, debts, and large risk exposure customers. The Bank enhanced supervision and restraint, and exercised rigorous governance of loans, focusing on compliance management of key processes and personnel in the credit field. At the exit end, the Bank built specialized and intensive operation institutions and teams, planned on and optimized exit end management from perspectives of communicating

on business philosophy, complying with regulations on business processes, strengthening due diligence, and building a comprehensive risk asset management system, and developed and implemented risk asset regeneration plans.

Coordinated steps were taken to systematically defuse risks in key areas

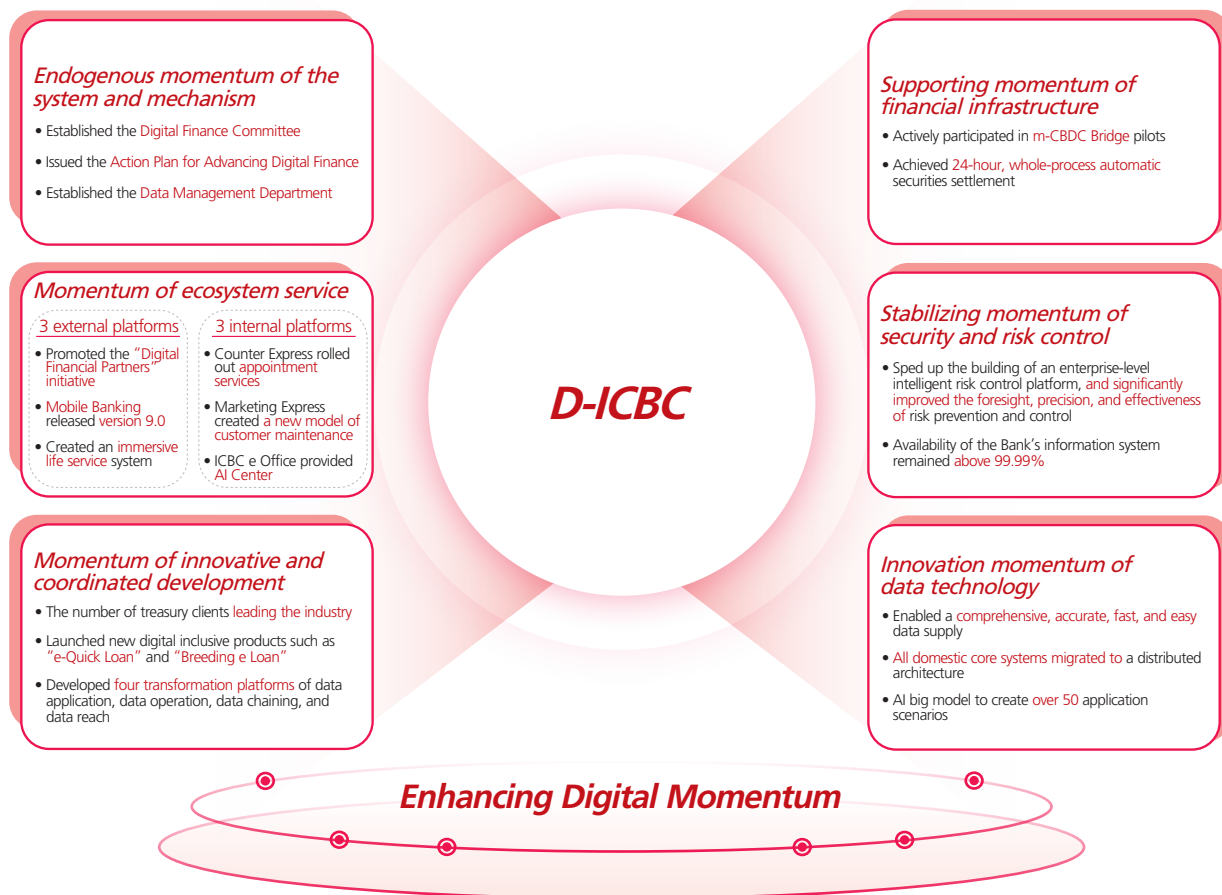
The financing in key areas showed a positive trend of "better quality and optimized structure". In the field of real estate, the Bank prevented and defused risks in new and outstanding financing in a coordinated way, actively promoted the effective implementation of the urban real estate financing coordination mechanism, and supported the reasonable financing needs of real estate enterprises. The Bank developed customer-specific risk management and control plans to accelerate the risk disposal of key real estate enterprises. In the field of local debts, following the principles of marketization and rule of law, the Bank implemented province-specific financial support policies to address debts, strengthened policy guidance and early warning, and effectively supported the prevention and resolution of local debt risks in an orderly manner. In the field of small and medium-sized financial institutions, the Bank continued to strengthen the monitoring of lifetime risks, and conducted monitoring and investigation of key areas, key customers' business situations, and hot events to achieve early identification and early warning of risks and prevent risk spillover and cross contagion to the Bank.

The Bank accelerated digital transformation and steadily pushed forward intelligent risk control

The Bank adhered to the two main lines of "reducing burden" and "empowerment", highlighting the user perspective. Focusing on the broadest user demand of the Group's investment and financing lines, the Bank improved the accessibility and convenience of the production system, and strengthened the intelligent decision assistance capability of the management system. The Bank initiated the construction of an enterprise-level intelligent risk control platform, promoted the sharing of comprehensive risk data, and improved the efficiency of cross risk monitoring. By applying cutting-edge technologies such as satellite remote sensing and big modeling, the Bank promoted one-stop data processing, and introduced intelligent services and open ecosystem.

Hot Topic 4: Deepening D-ICBC Development and Enhancing Digital Momentum

In the first half of 2024, the Bank was awarded the “Digital Bank of The Year, China” by *The Asset* as it continued to deepen D-ICBC, enhanced digital driver, and fostered ICBC’s new quality productive forces in the new era.



First, strengthening the endogenous momentum of the system and mechanism. The Bank established the Digital Finance Committee and the Data Management Department, and issued the Action Plan for Advancing Digital Finance and the Digital Finance Implementation Plan for 2024, to systematically facilitate the exchange of technology and business personnel, and lay a solid institutional foundation for accelerating D-ICBC.

Second, strengthening the momentum of ecosystem service. The Bank iteratively refined the “3+3” platform to expedite the digital and intelligent upgrade of financial services from both customer service and employee empowerment perspectives, thereby improving their convenience and competitiveness. **Open Banking** further promoted the “Digital Financial Partners” initiative. **Mobile Banking** released version 9.0, maintaining a leading advantage in core industry indicators. **ICBC e Life** created an immersive life service system integrating lifestyle and financial advantages. **Counter Express** rolled out online and offline appointment services across the board. **Marketing Express** created a new model of intensive and group-based customer maintenance and a performance accounting view by account. **ICBC e Office** provided AI Center and other smart, convenient services that directly benefit employees.

Third, strengthening the momentum of innovative and coordinated development. The Bank **empowered enterprise transformation**, with the number of treasury clients leading the industry and a 28% increase in clients served by its financial cloud since the beginning of the year. Monthly active users of corporate internet banking and mobile banking are also topping the industry; it **improved digital inclusion** by launching new digital inclusive products such as “e-Quick Loan” and “Breeding e Loan”; it **enhanced branch support** by developing four platforms of data application, data operation, data chaining, and data reach, to assist branches in deepening digital transformation tailored to their conditions.

Fourth, strengthening the supporting momentum of financial infrastructure. In terms of payment and settlement, the Bank expanded the scope of “ICBC Global Pay” for overseas direct payments and actively participated in Multilateral Central Bank Digital Currency Bridge (“m-CBDC Bridge”) pilots. **In terms of asset custody,** the Bank achieved 24-hour, whole-process automatic securities settlement. **In terms of risk control technology exports,** the Bank continued to provide risk control technologies and system services to small and medium-sized financial institutions.

Fifth, strengthening the stabilizing momentum of security and risk control. The Bank sped up the building of an enterprise-level intelligent risk control platform, and met scheduled milestones in system development that significantly improved the foresight, precision, and effectiveness of risk prevention and control. Additionally, the Bank improved the cyber security capability on all fronts, with the availability of the Bank’s information system remained above 99.99%.

Sixth, strengthening the innovation momentum of data technology. The Bank advanced the large-scale application of real-time data warehousing, to enable a “comprehensive, accurate, fast, and easy” data supply. It continued to develop new computational infrastructure featured “one cloud supporting multiple computations”, and has migrated all domestic core systems to a distributed architecture system for single-track operation. It also deepened the construction and empowerment of the 100 billion-level AI big model technology, to create over 50 application scenarios in financial markets, credit risk management, and internet finance.

Details of Changes in Share Capital and Shareholding of Substantial Shareholders

Changes in Ordinary Shares

DETAILS OF CHANGES IN SHARE CAPITAL

Unit: Share

	At 31 December 2023		Increase/decrease during the reporting period	At 30 June 2024	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
I. Shares subject to restrictions on sales	-	-	-	-	-
II. Shares not subject to restrictions on sales	356,406,257,089	100.00	-	356,406,257,089	100.00
1. RMB-denominated ordinary shares	269,612,212,539	75.65	-	269,612,212,539	75.65
2. Foreign shares listed overseas	86,794,044,550	24.35	-	86,794,044,550	24.35
III. Total number of shares	356,406,257,089	100.00	-	356,406,257,089	100.00

- Notes: (1) The above data are based on the Equity Structure Chart issued by China Securities Depository and Clearing Corporation Limited.
- (2) "Foreign shares listed overseas", namely H shares, are within the same meaning as defined in the "No. 5 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings – Content and Format of the Report of Change in Corporate Shareholding" (Revision 2022) of CSRC.

Details of Securities Issuance and Listing

During the reporting period, the Bank did not issue any shares, did not have any employee shares, nor did it issue any convertible bonds.

The Bank did not issue corporate bonds to be disclosed in accordance with Chapter II, Section 9 of the "No. 3 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings – Content and Format of the Half-year Report (Revision 2021)" of CSRC, nor did it have the above-mentioned corporate bonds existed on the approval date of this Report.

For details on the issuance progress of undated additional tier 1 capital bonds, tier 2 capital bonds and TLAC non-capital bonds of the Bank during the reporting period, please refer to the section headed "Discussion and Analysis – Capital Management".

For information on other securities issued by the Bank and its subsidiaries, please refer to "Note 29. to the Consolidated Financial Statements: Debt Securities Issued; Note 32. to the Consolidated Financial Statements: Other Equity Instruments" for details.

Number of Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had a total number of 613,766 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 106,884 holders of H shares and 506,882 holders of A shares.

Details of Changes in Share Capital and Shareholding of Substantial Shareholders

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease of shares during the reporting period	Number of shares held at the end of reporting period	Shareholding percentage (%)	Number of pledged/locked-up/ marked shares
Huijin ⁽⁵⁾	State-owned	A Share	–	124,004,660,940	34.79	None
MOF	State-owned	A Share	–	110,984,806,678	31.14	None
HKSCC Nominees Limited ⁽⁶⁾	Foreign legal person	H Share	16,626,137	86,160,746,743	24.17	Unknown
SSF ⁽⁷⁾	State-owned	A Share	–	12,331,645,186	3.46	None
Hong Kong Securities Clearing Company Limited ⁽⁸⁾	Foreign legal person	A Share	488,212,807	2,742,056,062	0.77	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	–	2,416,131,540	0.68	None
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A Share	–	1,013,921,700	0.28	None
ICBC – SSE 50 Exchange Traded Securities Investment Funds ⁽⁹⁾	Other entities	A Share	135,305,700	562,564,895	0.16	None
Industrial and Commercial Bank of China – Huatai-PB CSI 300 ETF ⁽¹⁰⁾	Other entities	A Share	151,970,900	413,745,957	0.12	None
China Construction Bank Corporation – E Fund HS 300 ETF ⁽¹¹⁾	Other entities	A Share	177,505,100	275,529,025	0.08	None

- Notes:
- (1) The above data are based on the Bank's register of shareholders as at 30 June 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) According to the Bank's Announcement in Relation to Increase in Shareholding of the Bank by Its Controlling Shareholder published by the Bank dated 11 October 2023, Huijin intended 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 six months commencing from the date of the increase in shareholding. As at 30 June 2024, Huijin cumulatively increased its holding of 286,807,989 A shares of the Bank through the trading system of SSE, accounting for approximately 0.08% of the Bank's total share capital.
 - (6) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total number of 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 2024, which included H shares of the Bank held by SSF and Ping An Asset Management Co., Ltd.
 - (7) 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 SSF 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), SSF shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. At the end of the reporting period, according to the information provided by SSF to the Bank, SSF also held 6,768,316,181 H shares of the Bank and 19,099,961,367 A and H shares in aggregate, accounting for 5.36% of the Bank's total ordinary shares.
 - (8) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 30 June 2024.
 - (9) "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 ICBC as fund custodian.
 - (10) 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.
 - (11) The "China Construction Bank Corporation – E Fund HS 300 ETF" is a securities investment fund approved by CSRC in CSRC Document [2012] No. 1762. E Fund Management Co., Ltd. acts as the fund manager and China Construction Bank acts as the fund custodian.

Changes of the Controlling Shareholders and De Facto Controller

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

Interests and Short Positions Held by Substantial Shareholders and Other Persons

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

As at 30 June 2024, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

HOLDERS OF A SHARES

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

- Notes: (1) According to the register of shareholders of the Bank, as at 30 June 2024, Huijin held 124,004,660,940 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Huijin, held 1,013,921,700 shares in the Bank.
- (2) Due to rounding, percentages presented herein are for reference only.

Details of Changes in Share Capital and Shareholding of Substantial Shareholders

HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares (%)	Percentage of total ordinary shares ⁽³⁾ (%)
Ping An Asset Management Co., Ltd. ⁽¹⁾	Investment manager	12,155,937,000	Long position	14.00	3.41
SSF ⁽²⁾	Beneficial owner	6,938,013,180	Long position	7.99	1.95

- Notes: (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 30 June 2024 (the date of relevant event being 23 May 2024). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.
- (2) According to the information provided by SSF to the Bank, SSF held 6,768,316,181 H shares of the Bank as at the end of the reporting period, accounting for 7.80% of the Bank's H shares and 1.90% of the Bank's total ordinary shares.
- (3) Due to rounding, percentages presented herein are for reference only.

Preference Shares

Issuance and Listing of Preference Shares during the Reporting Period

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

Number of Preference Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 30 domestic preference shareholders of “工行優1” and 40 domestic preference shareholders of “工行優2”.

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

Unit: Share

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

- Notes: (1) The above data are based on the Bank's register of offshore preference shareholders as at 30 June 2024.
- (2) As the issuance of the offshore preference shares above was non-public offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.
- (3) The Bank is not aware of any connected relations or acting-in-concert relations between the aforementioned preference shareholder and top 10 ordinary shareholders.
- (4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

Details of Changes in Share Capital and Shareholding of Substantial Shareholders

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	200,000,000	44.4	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	11.1	–	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	3,000,000	38,000,000	8.4	–	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	-1,300,000	28,700,000	6.4	–	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-1,890,000	13,110,000	2.9	–	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-80,000	13,030,000	2.9	–	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	-2,000,000	13,000,000	2.9	–	None
Sun Life Everbright Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	–	11,715,000	2.6	–	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	11,200,000	2.5	–	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	–	10,000,000	2.2	–	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	–	10,000,000	2.2	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	10,000,000	2.2	–	None

- Notes: (1) The above data are based on the Bank's register of domestic preference shareholders of “工行優1” as at 30 June 2024.
- (2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優1”.

Details of Changes in Share Capital and Shareholding of Substantial Shareholders

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

Unit: Share

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	120,000,000	17.1	–	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	–	112,750,000	16.1	–	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	100,000,000	14.3	–	None
Everbright Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	29,432,000	60,132,000	8.6	–	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-11,800,000	52,200,000	7.5	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	7.1	–	None
Jiangsu International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-2,000,000	35,250,000	5.0	–	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	–	30,000,000	4.3	–	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	-30,535,000	21,965,000	3.1	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non- state-owned legal person	Domestic preference shares	–	15,000,000	2.1	–	None

- Notes: (1) The above data are based on the Bank's register of domestic preference shareholders of “工行優2” as at 30 June 2024.
- (2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Sun Life Everbright Asset Management Co., Ltd. and Everbright Securities Asset Management Co., Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優2”.

Dividend Distribution of Preference Shares

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

The Bank reviewed and approved the distribution of dividends on “工行優2” and offshore USD preference shares at the meeting of the Board of Directors on 30 August 2024, planning to distribute the dividends on “工行優2” on 24 September 2024 at the dividend rate of 4.2% (pre-tax, and the tax payable on dividends received by holders of domestic preference shares should be borne by them in compliance with relevant laws and regulations) and the total dividends distributed will be RMB2.94 billion; and planning to distribute the dividends on offshore USD preference shares on 23 September 2024 at the dividend rate of 3.58% (after-tax, namely the actual dividend rate obtained by offshore USD preference shareholders) and the dividends distributed on offshore USD preference shares will be approximately USD115.36 million including USD103.82 million to be paid to preference shareholders and approximately USD11.54 million of withholding income tax.

Redemption or Conversion of Preference Shares

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

Restoration of Voting Rights of Preference Shares

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

Accounting Policy Adopted for Preference Shares and Rationale

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

Directors, Supervisors and Senior Management

Basic Information on Directors, Supervisors and Senior Management

As at the disclosure date of the results, the composition of the Board of Directors, the Board of Supervisors and the Senior Management of the Bank is as follows:

The Board of Directors of the Bank consists of 13 directors, including three Executive Directors: Mr. Liao Lin, Mr. Liu Jun and Mr. Wang Jingwu; five Non-executive Directors: Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liquan, Ms. Chen Yifang and Mr. Dong Yang; and five Independent Non-executive Directors: Mr. Shen Si, Mr. Fred Zuli Hu, Mr. Norman Chan Tak Lam, Mr. Herbert Walter and Mr. Murray Horn.

The Board of Supervisors of the Bank consists of three members, including one Employee Supervisor, namely Mr. Huang Li, and two External Supervisors, namely Mr. Zhang Jie and Mr. Liu Lanbiao.

The Bank has 10 Senior Management members, namely Mr. Liao Lin, Mr. Liu Jun, Mr. Wang Jingwu, Mr. Zhang Weiwu, Mr. Duan Hongtao, Mr. Yao Mingde, Mr. Zhang Shouchuan, Ms. Xiong Yan, Mr. Song Jianhua and Mr. Tian Fenglin.

During the reporting period, the Bank did not implement any share incentives. None of the existing Directors, Supervisors and Senior Management members of the Bank or those who left office during the reporting period held shares or share options or were granted restricted shares of the Bank, and there was no change during the reporting period.

Appointment and Removal

Directors

At the First Extraordinary General Meeting of 2023 held on 30 November 2023, Mr. Herbert Walter was elected as Independent Non-executive Director of the Bank, and his qualification was approved by NFRA in March 2024. On 1 February 2024, the Board of Directors of the Bank elected Mr. Liao Lin as Chairman of the Board of Directors of the Bank, and his qualification was approved by NFRA in February 2024. On 29 February 2024, the First Extraordinary General Meeting of 2024 of the Bank elected Mr. Zhang Wenwu as Executive Director of the Bank, and his qualification is subject to the approval by NFRA¹; and elected Mr. Murray Horn as Independent Non-executive Director of the Bank, and his qualification was approved by NFRA in August 2024. On 22 May 2024, the Board of Directors of the Bank elected Mr. Liu Jun as Vice Chairman of the Board of Directors of the Bank, which took effect upon his appointment as Executive Director of the Bank being considered and approved by the Bank's Annual General Meeting for the Year 2023 on 28 June 2024. At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Mr. Liao Lin was re-elected as Executive Director of the Bank, and his new term of office as Executive Director started from the day of approval by the Shareholders' General Meeting; Mr. Liu Jun was elected as Executive Director of the Bank, and his term of office as Executive Director started from the day of approval by the Shareholders' General Meeting; Ms. Zhong Mantao was elected as Non-executive Director of the Bank, and her qualification is still subject to the approval of NFRA.

In February 2024, Mr. Chen Siqing ceased to act as Chairman of the Board of Directors and Executive Director of the Bank due to his age. In March 2024, Mr. Anthony Francis Neoh ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office. In August 2024, Mr. Yang Siu Shun ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.

1 Mr. Zhang Wenwu has resigned from all positions including Senior Executive Vice President of the Bank. For details, please refer to Changes in Senior Management.

Senior Management Members

On 29 February 2024, the Board of Directors of the Bank appointed Mr. Yao Mingde as Senior Executive Vice President of the Bank, and his qualification was approved by NFRA in March 2024. On 29 April 2024, the Board of Directors of the Bank appointed Mr. Zhang Shouchuan as Senior Executive Vice President of the Bank, and his qualification was approved by NFRA in June 2024. On 22 May 2024, the Board of Directors of the Bank appointed Mr. Liu Jun as President of the Bank, and his appointment took effect upon the consideration and approval by the Board of Directors. On 7 August 2024, the Board of Directors of the Bank appointed Mr. Duan Hongtao to concurrently serve as Board Secretary of the Bank, as well as Company Secretary and Authorized Representative, and the above appointments took effect upon the consideration and approval by the Board of Directors.

In February 2024, Mr. Liao Lin resigned from the position of President of the Bank due to change of job assignments. In order to ensure the smooth operation and management of the Bank, Mr. Liao Lin performs the duties and powers of the President to the date on which the new President of the Bank officially takes office according to the regulation and the Articles of Association of the Bank. In March 2024, Mr. Zhang Wenwu ceased to act as Senior Executive Vice President of the Bank due to change of job assignments. In April 2024, Mr. Guan Xueqing ceased to act as Board Secretary and Company Secretary of the Bank due to his age. After Mr. Guan Xueqing left his office and before the new Board Secretary is appointed, Mr. Duan Hongtao, Senior Executive Vice President of the Bank, has performed the duties of Board Secretary.

Changes in Information of Directors and Supervisors

None.

Corporate Governance

Overview of Corporate Governance

During the reporting period, the Bank has always regarded the improvement of corporate governance as a fundamental job for achieving high-quality development in the new era, and effectively refined the modern corporate governance framework, mechanism and culture. The Bank constantly developed the corporate governance structure which was led by the Bank's Party Committee with the Board of Directors acting as the decision-making organ, the Board of Supervisors responsible for compliance supervision, and the Management in charge of operation. The Bank strengthened the top-level design of corporate governance, revised and improved the Articles of Association, continuously deepened the organic integration between the Party's leadership and corporate governance, and embedded the institutional advantages into the modern governance system building, so as to constantly improve the corporate governance. It continued to build the corporate governance and checks and balances mechanism featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, optimized the corporate governance operation mechanism with scientific decision-making process, effective supervision and steady operation, and effectively enhanced the governance efficiency and high-quality development capability.

Corporate Governance Code

During the reporting period, except for Chairman of the Board of Directors having performed the duties and powers of President and the change of Company Secretary disclosed in this report, the Bank complied with the principles, code provisions and recommended best practices stipulated in the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules).

Shareholders' General Meeting

As of the day of results disclosure, the Bank convened the First Extraordinary General Meeting of 2024 on 29 February 2024, and the Annual General Meeting for the Year 2023 on 28 June 2024. The above meeting was convened and held in strict compliance with relevant laws and regulations. The Bank disclosed relevant announcements of resolutions and legal opinions in a timely manner in accordance with regulatory requirements.

For details of the meeting, please refer to the announcements of the Bank dated 29 February 2024 and 28 June 2024 on the websites of SSE, the "HKEXnews" of HKEX and the Bank.

Profits and Dividends Distribution

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

As approved at the Annual General Meeting for the Year 2023 held on 28 June 2024, the Bank distributed cash dividends of about RMB109,203 million, or RMB3.064 per ten shares (pre-tax) for the period from 1 January 2023 to 31 December 2023 to the ordinary shareholders whose names appeared on the share register after the close of market on 15 July 2024.

The Board of Directors of the Bank proposed distributing 2024 interim cash dividend for ordinary shares of RMB1.434 per ten shares (pre-tax) of 356,406,257,089 ordinary shares, totaling about RMB51,109 million. The distribution plan will be submitted to the Shareholders' General Meeting for approval. Once approved, the above-mentioned dividends will be paid to the holders of A shares and H shares whose names appeared on the share register of the Bank after the close of market on 6 January 2025. Pursuant to relevant regulatory requirements and operational rules, dividends on A shares and H shares will be paid on 7 January 2025 and 24 January 2025, respectively.

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

Implementation of Share Incentive Plan and Employee Stock Ownership Plan During the Reporting Period

During the reporting period, the Bank did not implement any share incentive plan or any employee stock ownership plan.

Environmental and Social Responsibilities

Green Finance

With a strong sense of strategic responsibility, the Bank continued to deepen the green finance system and endeavored to build a multi-dimensional and comprehensive green finance development model with distinctive ICBC's characteristics. During the reporting period, the Bank made notable progress in green finance development by taking range of steps, including improving the corporate governance structure, revising policies and procedures, innovating financial services, strengthening risk management, increasing brand publicity, deepening international cooperation and conducting forward-looking research. The Bank won several awards including "Best Bank for Sustainable Finance, China" and "Best Carbon Neutral Green Bond of the Year" by *The Asset*.

Green investment and financing showed expanded coverage and improved quality, remaining ahead of peers by scale. At the end of June, the Bank's balance of green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion, still ranking first among peers and providing solid financial support to the green and low-carbon transition of the Chinese economy and society. The Bank successfully issued "carbon neutrality" themed overseas green bonds in multiple currencies amounting to an equivalent of USD1.74 billion through three overseas branches in Hong Kong, Singapore and London, further expanding the international financing channels for green finance and maintaining the Bank's leading edge in cumulative overseas issuance of green bonds.

Green finance was facilitated with stronger policy support and better risk management. Toward the general goal of becoming a "global leader in green banking", the Bank strengthened forward-looking planning, continued to build a targeted and effective policy framework and refined the differentiated supporting mechanisms in terms of interest rate, authorization, scale allocation and economic capital occupancy, thereby empowering high-quality development of green finance across the Bank. The Bank kept strengthening ESG risk control, improved the green classification management framework for investment and financing and implemented

differentiated management and risk controls. Climate risk management was incorporated in enterprise risk management, with climate risk stress tests carried out and climate factors further applied in the assessment and risk monitoring of investment and financing projects. The Bank strengthened cooperation with government authorities by establishing regular cooperation mechanisms with the China Meteorological Administration and the Ministry of Industry and Information Technology, in a joint effort to further implement green finance policies and improve the green finance ecosystem in an ongoing manner.

The green finance brands building was carried out and its influence has been continuously improved. The documentary "Beautiful China on the Road", title-sponsored by ICBC, was aired on CCTV-1 (Integrated Channel), helping continue to build the "ICBC Green Bank+" brand system.

Green Operation

The Bank collected three major data types, namely, carbon emission data, emission facilities and monitoring facilities using its proprietary carbon footprint management data statistics system and analyzed its energy conservation and carbon emission reduction potential and implementation roadmap, and focused on energy conservation and carbon emission reduction in four areas, namely, IT infrastructure, building infrastructure, day-to-day office and key energy-using facilities, taking into account its actual conditions. The Bank also engaged third-party specialists to verify the data through on-site inquiry and check, document review, etc.

The philosophy of low-carbon operation was further promoted and trained through the annual National Energy Efficiency Promotion Week, the Bank's "Dual Carbon" talent training and other special events. The Bank worked harder to build and promote the smart office platform, optimized the videoconferencing function, refined remote office services, put into operation the mobile approval for common office matters, promoted paperless meetings, continuously reduced office paper use, and further promoted green and efficient office.

Consolidating and Building on Achievements in Poverty Alleviation and Services for Rural Revitalization

Focusing on “addressing the country’s needs, giving full play to finance and tapping into strengths of ICBC”, the Bank further promoted the Urban-Rural Collaborative Development Strategy, formulated and implemented the Action Plan for Comprehensively Promoting Rural Revitalization and Building a Strong Agricultural Sector Faster with Financial Services, in an all-out effort to support for comprehensive rural revitalization and agricultural power.

The availability of financial services was enhanced for food security. With a focus on key areas such as major agricultural provinces and grain-producing counties, the Bank vigorously promoted the “Planting e Loan” and “Grain Planting Loan”, launched an innovative “Vegetable Basket Development Loan”, carry out pilot projects to support investment and financing for high-standard farmland construction and allocated more credit resources for food security.

The layout of outlets in counties was further refined. The Bank adhered to the integration of online and offline channels, improved the operations of inclusive financial service points in rural areas, provided online points of access via the ICBC “Xingnongtong” APP and improved online service features, reaching 87% in coverage of outlets in counties.

The services with ICBC’s characteristics were built innovatively. The Bank carried out agricultural matchmaking events such as “Major Towns Tour” and “Agricultural Specialty Brands”, continuously deepened the agricultural and industrial comprehensive services, and publicized and promoted agricultural brands with local characteristics, facilitating the smooth agricultural process throughout production, supply and marketing and integration of the agricultural, cultural and tourism sectors. Stronger support was provided for a wider range of major agricultural and rural infrastructure projects, including rural roads, logistics and communications, and water and power supply, in a steady move to promote the new urbanization initiative focused on county seats. The Bank continued to add service scenarios for the “Digital Villages”

comprehensive service platform, introduced the innovative “Digital Suppliers Prosperity” based on the platform and helped improve rural governance. The “Going into the Countryside” rural financial service action was launched, with more than 1,000 rural financial service teams dispatched to provide comprehensive financial services (including account, settlement, deposit and loan, and wealth management, etc.) at the sites of administrative village communities and in the fields.

The Bank consolidated and built on the achievements in poverty alleviation. In terms of financial assistance, the Bank strengthened financial assistance to the key counties and poverty-stricken areas of the National Rural Revitalization Program. The Bank continued to increase credit granting to key areas such as infrastructure construction, development of characteristic industries and income growth of the poverty-stricken population. As at the end of June, the balance of loans to key counties of the National Rural Revitalization Program was RMB195,629 million, representing an increase of RMB20,382 million or 11.63% over the beginning of the year, which was higher than the average growth rate of the Bank’s loans; the balance of loans to poverty-stricken areas was RMB1,173,387 million, representing an increase of RMB97,775 million or 9.09% over the beginning of the year. In terms of targeted assistance, the Bank supported the four targeted counties and cities (Tongjiang County, Nanjiang County, Wanyuan City and Jinyang County in Sichuan Province) that ICBC is paired up with to further consolidate the foundation of poverty alleviation. The Bank launched the “Spring Initiative on Consumer Assistance”, encouraged all employees and officers to buy and help sell agricultural products in areas lifted out of poverty, effectively unleashed the consumer potential and promoted industrial development in these areas. The second phase of the rural revitalization-themed high-speed rail advertising program was carried out to purchase advertising spaces in high-speed trains for the four assisted counties and cities, thereby helping promote the agricultural and tourist resources unique to these areas. Leveraging on its professional strengths, the Bank provided financial support for the assisted four counties and cities in collaboration with the Sichuan Branch, in addition to various assistances in relation to investment promotion, donations to schools and students and pairing of Party organizations.

Consumer Protection

The Bank thoroughly implemented the laws, regulations and regulatory requirements regarding consumer protection, cemented the foundation of consumer protection management, enhanced its complaint management capacity and refined consumer protection work, striving to fundamentally protect the legitimate rights and interests of consumers. The Board of Directors, the Board of Supervisors and the Senior Management strengthened the overall planning of consumer protection plan, regularly reviewed the consumer protection work and key issues, intensified guidance and supervision, and promoted the deeper integration of consumer protection into business development. The Consumer Protection Committee actively played a coordinating role, promoted the “three lines of defense” of the front, middle and back offices to jointly study and solve major consumer protection complaints, and ensured the efficient implementation of consumer protection management objectives and requirements. The Bank improved the consumer protection assessment system, highlighted the assessment priorities, optimized the assessment indicators, gave full play to the supervisory role of internal audit and other institutions, and guided institutions at all levels to effectively perform the primary responsibilities of consumer protection. The Bank strictly controlled the threshold of consumer protection review risk prevention and control, strengthened the forward-looking judgment and early warning of risks in key links such as appropriate management, marketing publicity and personal information protection, and implemented consumer protection management requirements in details in product design, policy agreement and system development. The Bank actively promoted the integration of consumer protection requirements into products and services, carried out the annual theme activity of “Serve as You Like in Forty Years”, upgraded outlets to adapt to elderly customers, and continuously optimized payment services. The Bank also improved the access rate and convenience of inclusive financial services, integrated online and offline methods, continuously improve the service experience of elderly customers, new urban residents, rural customers and other consumer groups, and strove to improve the quality of financial services and customer satisfaction.

The Bank continued to promote the root cause management of complaints, carried out the “The Year for Consolidating Complaint Management in Personal

Finance” in 2024, and improved products and services from the source of business for the focus of complaints related to the vital interests and service experience of the masses. The Bank continued to strengthen the capacity building of complaint handling, optimized the complaint distribution and circulation mechanism, and gave full play to the role of the diversified financial dispute resolution mechanism in interest settlement and dispute resolution, to improve the quality and efficiency of complaint dispute resolution, and create a better customer complaint resolution experience. The Bank accelerated the digital transformation of complaint management, improved the standardized handling of customer complaints, and enabled the outlets to reduce the burden of complaint handling by means of information technology.

The Bank launched the “Year of Consumer Protection Education Promotion Deepening” across the Bank. Internally, focusing on consumer concerns, the Bank held a series of themed activities such as the consumer protection and service creativity competition of “All-staff Consumer Protection for Whole-hearted Experience”, the selection of materials for consumer protection education in the inclusive field of “Providing Warm Protection for Thousands of Households”, and the “For Concern and Love” Volunteer Service Month at ICBC Sharing Stations. Through the selection of excellent videos, consumer protection knowledge competition, consumer protection talks by senior executives and consumer protection training for personnel at all levels, the Bank enhanced employees’ consumer protection awareness and professional ability, and promoted the cultivation of consumer protection culture. Externally, the Bank carried out activities such as the “March 15th Consumer Protection Publicity Month” and “Publicizing Financial Knowledge to Walk Ten Thousand Miles”. Focusing on the themes of “carrying forward the spirit of Lei Feng and spreading warmth in consumer protection”, “practicing the people’s financial concept and improving consumer protection governance capacity”, and “exerting the role of finance to boost consumer confidence”, the Bank coordinated and integrated quality resources inside and outside the Bank, integrated the publicity of hot financial knowledge into traditional culture and characteristic scenes, and better met the people’s concerns and needs for financial knowledge through innovative forms such as sitcoms, short videos, micro-movies and immersive experiences, so as to effectively improve consumers’ financial literacy and risk prevention capability.

Significant Events

Use of Proceeds from Fundraising Activities

The funds raised from the Bank's fundraising activities were used for the purposes as disclosed in the prospectuses, namely, strengthening the capital base to support the ongoing business growth of the Bank.

For future planning disclosed in the public disclosure documents such as previous offering prospectuses and fundraising prospectuses issued by the Bank which has continued during the reporting period, its implementation progress conformed to the planning as described after verification and analysis.

Occupation of the Bank's Fund by Controlling Shareholders and Other Related Parties for Non-Business Purposes During the reporting period, none of the controlling shareholders and other related parties of the Bank occupied any fund of the Bank for non-business purposes.

Material Lawsuits or Arbitration Cases During the reporting period, the Bank incurred no material lawsuits or arbitration cases. It was involved in several legal lawsuits and arbitrations in its ordinary course of business. Most of these cases were initiated by the Bank to recover non-performing loans, while some were related to disputes with clients. As at 30 June 2024, the amount of cases pending judgments or arbitrations awards in which the Bank and/or its subsidiaries are defendants totaled RMB7,355 million, and the Bank does not expect any material adverse effect from the above-mentioned cases on the Bank's business, financial position or operating results.

Credit Standing During the reporting period, neither the Bank nor its controlling shareholders had ever failed to fulfil obligations provided in effective legal documents issued by court for material lawsuits, nor had there been any outstanding debt of a significant amount.

Material Assets Acquisition, Sale and Merger During the reporting period, the Bank had no material assets acquisition, sale and merger.

Material Related Party Transactions

The Bank carried out standardized management over the Group's related party transactions in strict compliance with the regulations of NFRA and CSRC as well as the listing rules of Shanghai and Hong Kong, and had no related party transactions to be submitted to the Board of Directors or the Shareholders' General Meeting for review. All related party transactions occurred complied with the disclosure exemptions under the Listing Rules of the Shanghai Stock Exchange and the Hong Kong Listing Rules. The disclosure exemptions abided by the provisions of SSE for disclosure of related party transactions as well as the provisions of SEHK for reporting and announcement of connected transactions.

During the reporting period, the Bank did not enter into any material related party transactions, nor any new or existing agreements on continuing related party transactions.

Please refer to "Note 41. to the Consolidated Financial Statements: Related Party Disclosures" for details of the related party transactions defined under the laws and regulations of China and the relevant accounting standards.

Material Contracts and Performance of Obligations thereunder

Material Trust, Sub-contract and Lease During the reporting period, the Bank had not held on trust to a material extent or entered into any material sub-contract or lease arrangement in respect of assets of other corporations, which were subject to disclosure, and no other corporation had held on trust to a material extent or entered into any material sub-contract or lease arrangement in respect of the Bank's assets, which were subject to disclosure.

Material Guarantees The provision of guarantees is in the ordinary course of business of the Bank. During the reporting period, the Bank did not have any material guarantee that needs to be disclosed except for the financial guarantee services within the business scope as approved by regulatory authorities.

Other Material Contracts During the reporting period, the Bank did not have any other material contracts which were subject to disclosure.

External Guarantees During the reporting period, the Bank did not enter any guarantee contract against the resolution procedures for external guarantees that are prescribed by laws, administrative regulations or CSRC.

Commitments

As at 30 June 2024, all of the continuing commitments made by the shareholders were properly fulfilled and were listed as follows:

Shareholder	Type of commitment	Time and term of commitment	Legal document under which the commitment is made	Commitment	Fulfillment of commitment
Huijin	Commitment of non-competition	October 2006/ No specific term	Prospectus of Industrial and Commercial Bank of China Limited on Initial Public Offering (A Share)	Provided that Huijin continues to hold any share of the Bank or is deemed as the controlling shareholder of the Bank or the related party of the controlling shareholder of the Bank according to the laws or listing rules of China or the listing place of the Bank, Huijin will not engage in or participate in any competitive commercial banking business including but not limited to granting loans, attracting deposits and providing settlement, fund custody, bank card and money exchange services. However, Huijin can engage in or participate in some competitive businesses by investing in other commercial banks. In this regard, Huijin has committed that it will: (1) fairly treat the investments in commercial banks and will not make any decision or judgment that will have adverse impact on the Bank or be beneficial to other commercial banks by taking advantage of the status of being a shareholder of the Bank or information obtained by taking advantage of the status of being a shareholder of the Bank; and (2) perform the shareholders' rights for the maximum interests of the Bank.	As at 30 June 2024, Huijin strictly fulfilled the above commitment and did not do anything in violation of the commitment.
		November 2010/ No specific term	Prospectus on A Share Rights Issue of Industrial and Commercial Bank of China Limited		
SSF	Commitment of performing the obligation of lock-up period for A shares	Taking effect from December 2019/ Above three years	Simplified Report of Changes in Equity of National Council for Social Security Fund	According to 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), SSF shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares.	As at 30 June 2024, SSF strictly fulfilled the above commitment and did not do anything in violation of the commitment.

Disciplinary Actions During the reporting period, the Bank was not subject to any case filing investigation for suspected crime, nor was any of its controlling shareholders, Directors, Supervisors and Senior Management members subject to coercive measures for suspected crime; neither the Bank nor its controlling shareholders, Directors, Supervisors and Senior Management members were subject to any criminal penalty or any case filing investigation by CSRC for suspected illegality or irregularity or administrative penalty by CSRC or material administrative penalty by other competent authority; none of its controlling shareholders,

Directors, Supervisors and Senior Management members was held in retention by the disciplinary inspection and supervision organ because of suspected serious illegality or irregularity or work-related crime, which affected their duty performance; none of its Directors, Supervisors and Senior Management members was subject to coercive measures taken by other competent authority for suspected illegality or irregularity, which affected their duty performance; neither the Bank nor any of its controlling shareholders, Directors, Supervisors and Senior Management members was subject to any administrative or regulatory measures taken by CSRC or disciplinary sanction imposed by stock exchanges.

Purchase, Sale and Redemption of Shares

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed shares (including sale of treasury shares) of the Bank.

Securities Transactions of Directors and Supervisors

The Bank has adopted a set of codes of conduct concerning the securities transactions by directors and supervisors which are no less stringent than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix C3 to the Hong Kong Listing Rules. After making enquiries to all Directors and Supervisors of the Bank, each Director and Supervisor confirmed that he/she has complied with the provisions of the aforesaid codes of conduct during the reporting period.

Interests in Shares, Underlying Shares, and Debentures Held by Directors and Supervisors

As at 30 June 2024, none of the Directors or Supervisors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong) which have to be notified to the Bank and SEHK under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance of Hong Kong (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the Securities and Futures Ordinance of Hong Kong), or any interests or short positions which have to be recorded in the register under Section 352 of the Securities and Futures Ordinance of Hong Kong, or any interests or short positions which have to be notified to the Bank and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

Participation in Investing in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.

During the reporting period, the Bank signed the Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. The Bank intends to invest RMB21.5 billion in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., holding 6.25% of equity interest, and the investment is expected to be

fully paid within 10 years from the date of registration and establishment of the fund company. The investment has been approved by NFRA. China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. was officially established on 24 May 2024. The Bank paid an initial subscription of RMB1,075 million in July 2024.

For details on the investment, please refer to the announcements published by the Bank on the website of SSE, the "HKEXnews" website of HKEX and the website of the Bank.

Participation in Investing in National Green Development Fund Co, Ltd.

In July 2020, the Bank signed the Promoter's Agreement of the National Green Development Fund Co, Ltd. In April 2021, upon the approval of former CBIRC, the Bank planned to contribute RMB8.0 billion to National Green Development Fund Co, Ltd., which shall be paid by instalments. In May 2021, the Bank completed the first contribution of RMB0.8 billion. In December 2022, the Bank completed the first tranche of the second contribution of RMB1.0 billion. In July 2024, the Bank completed the second tranche of the second contribution of RMB1.0 billion. The paid-in amount of contribution totaled RMB2.8 billion.

For details on the investment, please refer to the announcements published by the Bank on the website of SSE, the "HKEXnews" website of HKEX and the website of the Bank.

Review of the Interim Report

The 2024 interim financial reports prepared by the Bank in accordance with PRC GAAP and IFRSs have been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu in accordance with Chinese and international standards on review engagements, respectively.

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

Disclosure of Losses on a Consolidated Basis That Exceed 10% of Net Assets at the end of the Previous Year, Reasons for Such Losses and Impacts on the Bank's Operation Capability and Solvency

Not applicable.



Review Report and Interim Financial Report

Contents

	Pages		Pages
REPORT ON REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS	94	21. Deferred Tax Assets and Liabilities	126
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS		22. Other Assets	128
Consolidated Statement of Profit or Loss	95	23. Impairment Allowance	130
Consolidated Statement of Profit or Loss and Other Comprehensive Income	96	24. Due to Banks and Other Financial Institutions	131
Consolidated Statement of Financial Position	97	25. Financial Liabilities Measured at Fair Value through Profit or Loss	132
Consolidated Statement of Changes in Equity	99	26. Repurchase Agreements	132
Consolidated Statement of Cash Flows	101	27. Certificates of Deposit	132
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		28. Due to Customers	133
1. Corporate Information	103	29. Debt Securities Issued	133
2. Basis of Preparation and Material Accounting Policy Information	103	30. Other Liabilities	136
3. Net Interest Income	105	31. Share Capital	138
4. Net Fee and Commission Income	105	32. Other Equity Instruments	138
5. Net Trading Income	106	33. Reserves	143
6. Net Gains on Financial Investments	106	34. Other Comprehensive Income	144
7. Other Operating Expense, Net	106	35. Cash and Cash Equivalents	145
8. Operating Expenses	107	36. Interests in Structured Entities	146
9. Credit Impairment Losses	107	37. Transferred Financial Assets	147
10. Income Tax Expense	108	38. Assets Pledged as Security	148
11. Dividends	109	39. Share Appreciation Rights Plan	148
12. Earnings per Share	109	40. Commitments and Contingent Liabilities	148
13. Cash and Balances with Central Banks	110	41. Related Party Disclosures	151
14. Due from Banks and Other Financial Institutions	110	42. Segment Information	157
15. Derivative Financial Instruments	111	43. Financial Risk Management	162
16. Reverse Repurchase Agreements	115	44. Fair Value of Financial Instruments	187
17. Loans and Advances to Customers	115	45. Events after the Reporting Period	193
18. Financial Investments	117	46. Comparative Amounts	193
19. Investments in Associates and Joint Ventures	123	47. Approval of the Consolidated Financial Statements	193
20. Property and Equipment	125	UNAUDITED SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS	194

Report on Review of Consolidated Financial Statements

Deloitte.

德勤

To the board of directors of Industrial and Commercial Bank of China Limited

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

Introduction

We have reviewed the consolidated financial statements of Industrial and Commercial Bank of China Limited (the "Bank") and its subsidiaries (collectively the "Group") set out on pages 95 to 193, which comprise the consolidated statement of financial position as of 30 June 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 August 2024

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
Interest income	3	721,053	696,583
Interest expense	3	(407,103)	(359,596)
NET INTEREST INCOME	3	313,950	336,987
Fee and commission income	4	76,373	82,363
Fee and commission expense	4	(8,968)	(8,898)
NET FEE AND COMMISSION INCOME	4	67,405	73,465
Net trading income	5	9,612	9,871
Net gains on financial investments	6	14,744	12,664
Other operating expense, net	7	(3,712)	(4,081)
OPERATING INCOME		401,999	428,906
Operating expenses	8	(105,208)	(105,379)
Credit impairment losses	9	(101,809)	(122,067)
Impairment losses on other assets		(260)	(188)
OPERATING PROFIT		194,722	201,272
Share of results of associates and joint ventures		2,462	2,383
PROFIT BEFORE TAXATION		197,184	203,655
Income tax expense	10	(25,888)	(28,935)
PROFIT FOR THE PERIOD		171,296	174,720
Profit for the period attributable to:			
Equity holders of the parent company		170,467	173,744
Non-controlling interests		829	976
PROFIT FOR THE PERIOD		171,296	174,720
EARNINGS PER SHARE			
– Basic (RMB yuan)	12	0.47	0.48
– Diluted (RMB yuan)	12	0.47	0.48

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
Profit for the period		171,296	174,720
Other comprehensive income (after tax, net):	34		
(a) Items that will not be reclassified to profit or loss:			
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income		1,514	945
(ii) Other comprehensive income recognised under the equity method		49	(18)
(iii) Other		26	7
(b) Items that may be reclassified subsequently to profit or loss:			
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income		24,908	11,417
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income		1,321	422
(iii) Cash flow hedging reserve		(516)	(180)
(iv) Other comprehensive income recognised under the equity method		(426)	(46)
(v) Foreign currency translation reserve		9,332	9,412
(vi) Other		(7,459)	(3,860)
Subtotal of other comprehensive income for the period		28,749	18,099
Total comprehensive income for the period		200,045	192,819
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		199,527	191,677
Non-controlling interests		518	1,142
		200,045	192,819

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024
(In RMB millions, unless otherwise stated)

	Notes	30 June 2024 (unaudited)	31 December 2023 (audited)
ASSETS			
Cash and balances with central banks	13	3,628,128	4,042,293
Due from banks and other financial institutions	14	1,261,401	1,116,717
Derivative financial assets	15	150,410	75,339
Reverse repurchase agreements	16	909,808	1,224,257
Loans and advances to customers	17	27,077,967	25,386,933
Financial investments	18	12,988,922	11,849,668
Financial investments measured at fair value through profit or loss		916,147	811,957
Financial investments measured at fair value through other comprehensive income		2,641,676	2,230,862
Financial investments measured at amortised cost		9,431,099	8,806,849
Investments in associates and joint ventures	19	65,568	64,778
Property and equipment	20	297,776	298,878
Deferred tax assets	21	97,938	104,669
Other assets	22	638,618	533,547
TOTAL ASSETS		47,116,536	44,697,079

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

(In RMB millions, unless otherwise stated)

	Notes	30 June 2024 (unaudited)	31 December 2023 (audited)
LIABILITIES			
Due to central banks		218,292	231,374
Due to banks and other financial institutions	24	4,113,777	3,369,858
Financial liabilities measured at fair value through profit or loss	25	71,856	62,859
Derivative financial liabilities	15	123,343	76,251
Repurchase agreements	26	1,647,326	1,018,106
Certificates of deposit	27	409,956	385,198
Due to customers	28	34,107,316	33,521,174
Income tax payable		25,887	63,322
Debt securities issued	29	1,588,738	1,369,777
Deferred tax liabilities	21	4,522	3,930
Other liabilities	30	941,022	818,642
TOTAL LIABILITIES		43,252,035	40,920,491
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	31	356,407	356,407
Other equity instruments	32	354,331	354,331
Preference shares		134,614	134,614
Perpetual bonds		219,717	219,717
Reserves	33	1,164,077	1,134,082
Retained profits		1,968,711	1,912,067
		3,843,526	3,756,887
Non-controlling interests		20,975	19,701
TOTAL EQUITY		3,864,501	3,776,588
TOTAL EQUITY AND LIABILITIES		47,116,536	44,697,079

Liao Lin
Chairman

Liu Jun
Vice Chairman and President

Xu Zhisheng
Person in charge of Finance and
Accounting Department

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company													Non-controlling interests	Total equity
	Reserves											Retained profits	Total		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal					
Balance as at 1 January 2024	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588	
Profit for the period	-	-	-	-	-	-	-	-	-	-	170,467	170,467	829	171,296	
Other comprehensive income	-	-	-	-	-	25,391	9,174	(491)	(5,014)	29,060	-	29,060	(311)	28,749	
Total comprehensive income	-	-	-	-	-	25,391	9,174	(491)	(5,014)	29,060	170,467	199,527	518	200,045	
Dividends – ordinary shares 2023 final (Note 11)	-	-	-	-	-	-	-	-	-	-	(109,203)	(109,203)	-	(109,203)	
Distributions to other equity instrument holders (Note 11)	-	-	-	-	-	-	-	-	-	-	(3,662)	(3,662)	-	(3,662)	
Appropriation to surplus reserve (i)	-	-	-	450	-	-	-	-	-	450	(450)	-	-	-	
Appropriation to general reserve (ii)	-	-	-	-	542	-	-	-	-	542	(542)	-	-	-	
Capital injection by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	872	872	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(116)	(116)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(34)	-	-	-	(34)	34	-	-	-	
Other	-	-	(23)	-	-	-	-	-	-	(23)	-	(23)	-	(23)	
Balance as at 30 June 2024 (unaudited)	356,407	354,331	148,247	428,809	562,179	49,404	(6,434)	(3,392)	(14,736)	1,164,077	1,968,711	3,843,526	20,975	3,864,501	

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB98 million and RMB352 million, respectively.
- (ii) Includes the appropriation to general reserve made by overseas branches and subsidiaries in the amounts of RMB271 million and RMB271 million, respectively.

	Attributable to equity holders of the parent company													Non-controlling interests	Total equity
	Reserves											Retained profits	Total		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal					
Balance as at 31 December 2022	356,407	354,331	148,280	392,487	496,719	767	(17,241)	(2,987)	(1,129)	1,016,896	1,767,537	3,495,171	18,655	3,513,826	
Changes in accounting policies	-	-	-	-	-	1,576	-	-	(4,848)	(3,272)	4,210	938	655	1,593	
Balance as at 1 January 2023	356,407	354,331	148,280	392,487	496,719	2,343	(17,241)	(2,987)	(5,977)	1,013,624	1,771,747	3,496,109	19,310	3,515,419	
Profit for the period	-	-	-	-	-	-	-	-	-	-	173,744	173,744	976	174,720	
Other comprehensive income	-	-	-	-	-	11,906	9,075	(223)	(2,825)	17,933	-	17,933	166	18,099	
Total comprehensive income	-	-	-	-	-	11,906	9,075	(223)	(2,825)	17,933	173,744	191,677	1,142	192,819	
Dividends – ordinary shares 2022 final (Note 11)	-	-	-	-	-	-	-	-	-	-	(108,169)	(108,169)	-	(108,169)	
Distributions to other equity instrument holders (Note 11)	-	-	-	-	-	-	-	-	-	-	(3,634)	(3,634)	-	(3,634)	
Appropriation to surplus reserve (i)	-	-	-	252	-	-	-	-	-	252	(252)	-	-	-	
Appropriation to general reserve (ii)	-	-	-	-	272	-	-	-	-	272	(272)	-	-	-	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(196)	-	-	-	(196)	196	-	-	-	
Other	-	-	16	-	-	-	-	-	-	16	-	16	-	16	
Balance as at 30 June 2023 (unaudited)	356,407	354,331	148,296	392,739	496,991	14,053	(8,166)	(3,210)	(8,802)	1,031,901	1,833,360	3,575,999	20,421	3,596,820	

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB112 million and RMB140 million, respectively.
- (ii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB272 million.

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company													Non-controlling interests	Total equity
	Reserves											Retained profits	Total		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal					
Balance as at 31 December 2022	356,407	354,331	148,280	392,487	496,719	767	(17,241)	(2,987)	(1,129)	1,016,896	1,767,537	3,495,171	18,655	3,513,826	
Changes in accounting policies	-	-	-	-	-	1,576	-	-	(4,848)	(3,272)	4,210	938	655	1,593	
Balance as at 1 January 2023	356,407	354,331	148,280	392,487	496,719	2,343	(17,241)	(2,987)	(5,977)	1,013,624	1,771,747	3,496,109	19,310	3,515,419	
Profit for the year	-	-	-	-	-	-	-	-	-	-	363,993	363,993	1,123	365,116	
Other comprehensive income	-	-	-	-	-	21,954	1,633	86	(3,745)	19,928	-	19,928	(701)	19,227	
Total comprehensive income	-	-	-	-	-	21,954	1,633	86	(3,745)	19,928	363,993	383,921	422	384,343	
Dividends – ordinary shares 2022 final (Note 11)	-	-	-	-	-	-	-	-	-	-	(108,169)	(108,169)	-	(108,169)	
Distributions to other equity instrument holders	-	-	-	-	-	-	-	-	-	-	(14,964)	(14,964)	-	(14,964)	
Appropriation to surplus reserve (i)	-	-	-	35,872	-	-	-	-	-	35,872	(35,872)	-	-	-	
Appropriation to general reserve (ii)	-	-	-	-	64,918	-	-	-	-	64,918	(64,918)	-	-	-	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)	
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(250)	-	-	-	(250)	250	-	-	-	
Other	-	-	(10)	-	-	-	-	-	-	(10)	-	(10)	-	(10)	
Balance as at 31 December 2023 (audited)	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588	

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB112 million and RMB891 million, respectively.
- (ii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB654 million.

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		197,184	203,655
Adjustments for:			
Share of results of associates and joint ventures		(2,462)	(2,383)
Depreciation		14,539	15,227
Amortisation	8	2,379	2,126
Credit impairment losses	9	101,809	122,067
Impairment losses on other assets		260	188
Unrealised gains on foreign exchange		(21,800)	(2,631)
Interest expense on debt securities issued		24,555	19,200
Accreted interest on impaired loans		(1,002)	(839)
Net gains on financial investments		(11,181)	(12,282)
Interest income on financial investments		(178,910)	(165,748)
Net gains on changes in fair value		(8,399)	(4,872)
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)		(785)	(1,060)
Dividend income	6	(1,310)	(2,152)
		114,877	170,496
Net decrease/(increase) in operating assets:			
Due from central banks		86,046	(164,427)
Due from banks and other financial institutions		(61,649)	98,930
Financial assets measured at fair value through profit or loss		(99,981)	(35,610)
Reverse repurchase agreements		(17,070)	62,493
Loans and advances to customers		(1,753,562)	(2,046,867)
Other assets		(117,173)	(193,580)
		(1,963,389)	(2,279,061)
Net increase/(decrease) in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		8,797	(2,810)
Due to central banks		(13,126)	78,817
Due to banks and other financial institutions		709,186	(174,055)
Repurchase agreements		618,121	108,226
Certificates of deposit		18,610	(29,096)
Due to customers		590,735	3,404,369
Other liabilities		6,013	100,651
		1,938,336	3,486,102
Net cash flows from operating activities before taxation		89,824	1,377,537
Income tax paid		(62,841)	(80,268)
Net cash flows from operating activities		26,983	1,297,269

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2024
(In RMB millions, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (unaudited)	2023 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(11,688)	(14,852)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		5,131	6,447
Purchases of financial investments		(2,980,971)	(2,452,462)
Proceeds from sale and redemption of financial investments		2,018,161	1,829,148
Proceeds from disposal of associates and joint ventures		1,064	1,764
Investment returns received		180,185	173,134
Net cash flows from investing activities		(788,118)	(456,821)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of other equity instruments		872	–
Proceeds from issuance of debt securities		922,175	718,126
Interest paid on debt securities		(25,875)	(21,859)
Repayment of debt securities		(706,644)	(456,871)
Dividends or interest paid to other equity instrument holders		(3,662)	(3,634)
Dividends paid to non-controlling shareholders		(116)	(31)
Cash payment for other financing activities		(3,946)	(3,859)
Net cash flows from financing activities		182,804	231,872
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(578,331)	1,072,320
Cash and cash equivalents at beginning of the period		2,755,732	1,926,851
Effect of exchange rate changes on cash and cash equivalents		4,747	37,703
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	35	2,182,148	3,036,874
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		566,024	549,937
Interest paid		(397,724)	(314,088)

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

1. CORPORATE INFORMATION

Industrial and Commercial Bank of China Limited (the “Bank”), which was previously known as Industrial and Commercial Bank of China (“ICBC”), used to be a wholly-state-owned commercial bank established on 1 January 1984 based on the authorisation of the State Council and the People’s Bank of China (the “PBOC”) of the People’s Republic of China (the “PRC”). On 28 October 2005, with the approval of the State Council, ICBC was restructured and incorporated as a joint-stock limited company. The joint-stock limited company undertook all the assets and liabilities of ICBC upon the restructuring. On 27 October 2006, the Bank was listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank obtained authorisation to carry out banking business with an institution code of No. B0001H111000001 from the former China Banking and Insurance Regulatory Commission (the former “CBIRC”) of the PRC. The Bank obtained its business license with unified social credit code 91100000100003962T from the Beijing Municipal Administration for Market Regulation. The legal representative is Mr. Liao Lin and the registered office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, the PRC.

The Bank’s stock codes of A Shares and H Shares listed on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited are 601398 and 1398, respectively. The Bank’s offshore preference shares are listed on The Stock Exchange of Hong Kong Limited and the stock code is 4620. The Bank’s domestic preference shares are listed on Shanghai Stock Exchange and the stock codes are 360011 and 360036.

The principal activities of the Bank and its subsidiaries (collectively referred to as the “Group”) comprise corporate financial services, personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services. Domestic establishments refer to the Head Office of the Bank, branches and subsidiaries established in Chinese mainland. Overseas establishments refer to branches and subsidiaries established in jurisdictions outside Chinese mainland.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It was approved by the board of directors on 30 August 2024.

The consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”), and should be read in conjunction with the Group’s last annual financial statements for the year ended 31 December 2023.

The consolidated financial statements have been reviewed by Deloitte Touche Tohmatsu in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Application of amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the Group's consolidated financial statements:

- Amendments to IFRS 16: Lease Liabilities in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

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

Material accounting policy information

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

Other than the application of the amendments to IFRSs mentioned above, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Accounting judgements and estimates

The preparation of the consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and estimation uncertainty were the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2023.

3. NET INTEREST INCOME

	Six months ended 30 June	
	2024	2023
Interest income on:		
Loans and advances to customers		
Corporate loans and advances	302,965	287,358
Personal loans	164,684	181,145
Discounted bills	8,549	8,932
Financial investments	178,910	165,748
Due from banks and other financial institutions (i)	38,877	27,184
Due from central banks	27,068	26,216
	721,053	696,583
Interest expense on:		
Due to customers	(298,566)	(284,796)
Due to banks and other financial institutions (ii)	(74,688)	(47,916)
Debt securities issued and certificates of deposit	(33,849)	(26,884)
	(407,103)	(359,596)
Net interest income	313,950	336,987

(i) Includes interest income on reverse repurchase agreements.

(ii) Includes interest expense on due to central banks and repurchase agreements.

The above interest income and expense are related to financial instruments which are not measured at fair value through profit or loss.

4. NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2024	2023
Fee and commission income on:		
Settlement, clearing business and cash management	26,163	24,398
Investment banking business	14,835	13,677
Personal wealth management and private banking services	10,281	14,019
Bank card business	9,145	10,234
Corporate wealth management services	5,794	6,863
Asset custody business	4,118	4,380
Guarantee and commitment business	2,978	5,865
Trust and agency services	1,435	1,372
Other	1,624	1,555
	76,373	82,363
Fee and commission expense	(8,968)	(8,898)
Net fee and commission income	67,405	73,465

Included in personal wealth management and private banking services, corporate wealth management services, asset custody business and trust and agency services above is an amount of RMB8,636 million (six months ended 30 June 2023: RMB10,017 million) with respect to trust and other fiduciary activities for the six months ended 30 June 2024.

5. NET TRADING INCOME

	Six months ended 30 June	
	2024	2023
Debt securities	6,515	7,247
Derivatives and other	2,398	3,160
Equity investments	699	(536)
	9,612	9,871

The above amounts mainly include gains and losses arising from the buying and selling of, the interest income and expense on, and the changes in fair value of financial assets and liabilities held for trading.

6. NET GAINS ON FINANCIAL INVESTMENTS

	Six months ended 30 June	
	2024	2023
Net gains on financial instruments measured at FVTPL including:	8,914	7,956
Net losses on financial instruments designated as at FVTPL	(1,597)	(1,993)
Net gains on disposal of financial instruments measured at FVTOCI	2,517	924
Dividend income from equity investments designated as at FVTOCI including:	1,310	2,152
Derecognised during the period	140	170
Held at the end of current period	1,170	1,982
Net gains on disposal of financial investments measured at amortised cost	1,945	1,524
Other	58	108
	14,744	12,664

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

"FVTOCI" stands for fair value through other comprehensive income.

7. OTHER OPERATING EXPENSE, NET

	Six months ended 30 June	
	2024	2023
Net operating lease business income	5,457	5,459
Net insurance business expense	(3,887)	(3,996)
Net gains on disposal of property and equipment, repossessed assets and other assets	816	1,110
Net losses on foreign exchange and foreign exchange products	(5,543)	(5,339)
Other	(555)	(1,315)
	(3,712)	(4,081)

8. OPERATING EXPENSES

	Six months ended 30 June	
	2024	2023
Staff costs:		
Salaries and bonuses	42,130	42,263
Staff benefits	11,746	11,304
Post-employment benefits – defined contribution plans (i)	9,441	9,433
	63,317	63,000
Property and equipment expenses:		
Depreciation charge for property and equipment	7,573	8,042
Depreciation charge for right-of-use assets, and other leasing expense	3,576	3,781
Repairs and maintenance charges	1,047	955
Utility expenses	946	928
	13,142	13,706
Amortisation	2,379	2,126
Other administrative expenses	10,415	10,717
Taxes and surcharges	5,550	5,498
Other	10,405	10,332
	105,208	105,379

- (i) The defined contribution plans mainly include pension insurance, unemployment insurance and the annuity plan.
- (ii) For the six months ended 30 June 2024, the Group incurred RMB2,136 million (six months ended 30 June 2023: RMB2,046 million) of expensed research and development expenditures and RMB569 million (six months ended 30 June 2023: RMB765 million) of capitalized research and development expenditures.

9. CREDIT IMPAIRMENT LOSSES

	Six months ended 30 June	
	2024	2023
Loans and advances to customers (Note 17)	94,526	108,546
Financial investments		
Financial investments measured at amortised cost	1,113	10,364
Financial assets measured at FVTOCI	655	577
Credit commitments	1,246	298
Other	4,269	2,282
	101,809	122,067

10. INCOME TAX EXPENSE

(a) Income tax expense

	Six months ended 30 June	
	2024	2023
Current income tax expense		
Chinese mainland	22,443	36,427
Hong Kong SAR and Macau SAR	730	772
Other overseas jurisdictions	2,233	2,299
	25,406	39,498
Deferred income tax expense	482	(10,563)
	25,888	28,935

In December 2021, the Organisation for Economic Co-operation and Development published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (“Pillar Two legislation”). According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact. Some of jurisdictions where the Group’s overseas operating institutions are located, had implemented Pillar Two legislation during the reporting period, the legislation in the aforementioned jurisdictions did not have a material impact on the financial position and financial performance of the Group for the six months ended 30 June 2024. The Group has applied the amendments of IAS 12 on Pillar Two legislation. Therefore, the Group shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two legislation.

(b) Reconciliation between income tax and accounting profit

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

	Six months ended 30 June	
	2024	2023
Profit before taxation	197,184	203,655
Tax at the PRC statutory income tax rate	49,296	50,914
Effects of different applicable rates of tax prevailing in other countries/regions	(288)	(406)
Effects of non-deductible expenses (i)	12,565	10,569
Effects of non-taxable income (ii)	(34,607)	(31,029)
Effects of profits attributable to associates and joint ventures	(194)	(204)
Effects of other	(884)	(909)
Income tax expense	25,888	28,935

- (i) The non-deductible expenses mainly represent non-deductible impairment allowance and write-offs.
- (ii) The non-taxable income mainly represents interest income arising from the PRC government bonds and municipal debts.

11. DIVIDENDS

	Six months ended 30 June	
	2024	2023
Dividends on ordinary shares declared and paid or proposed:		
Dividends on ordinary shares for 2023 RMB0.3064 per share (2022: RMB0.3035 per share)	109,203	108,169
Dividends or interests declared and paid to other equity instrument holders:		
Interest on perpetual bond distributed	3,662	3,634

Upon the approval at the Annual General Meeting for the Year 2023 held on 28 June 2024, the Bank distributed cash dividends of about RMB109,203 million, or RMB0.3064 per share (pre-tax), for the period from 1 January 2023 to 31 December 2023 to the ordinary shareholders whose names appeared on the share register after the close of market on 15 July 2024.

12. EARNINGS PER SHARE

	Six months ended 30 June	
	2024	2023
Earnings:		
Profit for the period attributable to equity holders of the parent company	170,467	173,744
Less: Profit for the period attributable to other equity instrument holders of the parent company	(3,662)	(3,634)
Profit for the period attributable to ordinary shareholders of the parent company	166,805	170,110
Shares:		
Weighted average number of ordinary shares in issue (in million shares)	356,407	356,407
Basic earnings per share (RMB yuan)	0.47	0.48
Diluted earnings per share (RMB yuan)	0.47	0.48

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

13. CASH AND BALANCES WITH CENTRAL BANKS

	30 June 2024	31 December 2023
Cash on hand	64,790	66,699
Balances with central banks		
Mandatory reserves (i)	2,679,213	2,832,799
Surplus reserves (ii)	626,190	952,050
Fiscal deposits and other	256,463	188,923
Accrued interest	1,472	1,822
	3,628,128	4,042,293

- (i) The Group is required to place mandatory reserve deposits and other restricted deposits with the PBOC and certain central banks of overseas countries or regions where it has operations. They are not available for use in the Group's daily operations. As at 30 June 2024, the mandatory reserve deposits ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were 8.5% (31 December 2023: 9%) and 4% (31 December 2023: 4%) respectively. The mandatory reserve funds placed by domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.
- (ii) Surplus reserves with the PBOC include funds for the purpose of cash settlement and other kinds of unrestricted deposits.

14. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2024	31 December 2023
Deposits with banks and other financial institutions:		
Banks operating in Chinese mainland	405,504	221,700
Other financial institutions operating in Chinese mainland	56,992	24,145
Banks and other financial institutions operating outside Chinese mainland	120,180	164,954
Accrued interest	3,593	3,885
	586,269	414,684
Less: Allowance for impairment losses	(464)	(426)
	585,805	414,258
Placements with banks and other financial institutions:		
Banks operating in Chinese mainland	250,682	265,904
Other financial institutions operating in Chinese mainland	179,544	209,164
Banks and other financial institutions operating outside Chinese mainland	243,027	222,934
Accrued interest	7,850	7,591
	681,103	705,593
Less: Allowance for impairment losses	(5,507)	(3,134)
	675,596	702,459
	1,261,401	1,116,717

15. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

	30 June 2024			31 December 2023		
	Notional amounts	Fair values		Notional amounts	Fair values	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts	9,474,752	122,781	(79,551)	6,015,214	52,830	(41,618)
Interest rate contracts	4,369,971	13,304	(14,562)	4,231,434	15,142	(16,273)
Commodity derivatives and other	1,439,398	14,325	(29,230)	1,003,045	7,367	(18,360)
	15,284,121	150,410	(123,343)	11,249,693	75,339	(76,251)

(1) Cash flow hedges

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

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

	30 June 2024						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate swap contracts	799	255	945	-	1,999	35	-
Currency swap contracts	46,547	34,839	4,180	-	85,566	1,775	(620)
Equity and other derivatives	16	20	71	1	108	9	(2)
	47,362	35,114	5,196	1	87,673	1,819	(622)

	31 December 2023						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
Interest rate swap contracts	-	2,417	1,863	-	4,280	99	(6)
Currency swap contracts	42,935	82,685	4,322	-	129,942	761	(1,052)
Equity and other derivatives	922	322	82	2	1,328	74	(17)
	43,857	85,424	6,267	2	135,550	934	(1,075)

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

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

	30 June 2024			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current period	Accumulated effect on other comprehensive income
Securities (i)	5,686	(30,168)	(141)	452
Loans and advances to customers	15,348	–	(116)	53
Other (ii)	25,307	(14,860)	(202)	(3,832)
	46,341	(45,028)	(459)	(3,327)

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and certificates of deposit.
- (ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, customer deposits and other liabilities.

	31 December 2023			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	4,733	(27,775)	248	593
Loans and advances to customers	39,997	–	169	169
Other (ii)	30,146	(41,615)	(290)	(3,630)
	74,876	(69,390)	127	(2,868)

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

There was no ineffectiveness recognised in profit or loss that arises from the cash flow hedges during the six months ended 30 June 2024 and 30 June 2023.

(2) Fair value hedges

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

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

	Six months ended 30 June	
	2024	2023
Gains/(losses) arising from fair value hedges, net:		
Hedging instruments	496	3,216
The hedged items	(566)	(3,267)
	(70)	(51)

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

	Notional amounts with remaining maturity of				Total	Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years		Assets	Liabilities
30 June 2024	4,889	12,543	40,655	13,095	71,182	2,927	(276)
31 December 2023	2,270	18,042	45,069	17,020	82,401	2,955	(416)

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

	30 June 2024			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	64,041	(1,415)	(842)	69
Loans and advances to customers	2,567	-	(104)	-
Other (ii)	1,238	-	(19)	-
	67,846	(1,415)	(965)	69

- (i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.
- (ii) Other hedged items are included in due from banks and other financial institutions, repurchase agreements, other assets and due to banks and other financial institutions.

	31 December 2023			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	73,809	(1,404)	(703)	62
Loans and advances to customers	3,429	-	(90)	-
Other (ii)	3,267	-	(92)	-
	80,505	(1,404)	(885)	62

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

(3) Net investment hedges

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

As at 30 June 2024, an accumulated net losses from the hedging instrument of RMB1,452 million was recognised in other comprehensive income (31 December 2023: accumulated net losses of RMB1,002 million). There was no ineffectiveness in profit or loss that arises from the net investment hedges during the six months ended 30 June 2024 and 30 June 2023.

(4) Offsetting of financial instruments

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

	30 June 2024		31 December 2023	
	Gross amounts	Net amounts	Gross amounts	Net amounts
Derivative financial assets	73,912	26,534	71,381	24,048
Derivative financial liabilities	73,804	27,906	72,958	26,884

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

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

	30 June 2024	31 December 2023
Counterparty credit default risk-weighted assets	122,273	86,521
Including: Non-netting settled credit default risk-weighted assets	67,987	48,975
Netting settled credit default risk-weighted assets	54,286	37,546
Credit value adjustment risk-weighted assets	38,962	36,563
Central counterparties credit risk-weighted assets	3,919	4,678
	165,154	127,762

16. REVERSE REPURCHASE AGREEMENTS

	30 June 2024	31 December 2023
Measured at amortised cost:		
Reverse repurchase agreements-bills	161,752	109,077
Reverse repurchase agreements-securities	663,820	1,073,854
Accrued interest	1,191	909
Less: Allowance for impairment losses	(403)	(97)
	826,360	1,183,743
Measured at FVTPL:		
Reverse repurchase agreements-securities and cash advanced as collateral on securities borrowing	83,448	40,514
	909,808	1,224,257

17. LOANS AND ADVANCES TO CUSTOMERS

17.1 Loans and advances to customers by type of measurement:

	30 June 2024	31 December 2023
Measured at amortised cost:		
Corporate loans and advances	17,496,761	16,128,752
– Loans	17,306,580	15,940,237
– Finance lease	190,181	188,515
Personal loans	8,834,543	8,653,621
Discounted bills	2,911	2,755
Accrued interest	58,751	56,117
	26,392,966	24,841,245
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost (Note 17.2(a))	(818,573)	(756,001)
	25,574,393	24,085,244
Measured at FVTOCI:		
Corporate loans and advances		
– Loans	11,932	10,348
Discounted bills	1,484,429	1,284,902
Accrued interest	239	335
	1,496,600	1,295,585
Measured at FVTPL:		
Corporate loans and advances		
– Loans	6,974	6,104
	27,077,967	25,386,933

As at 30 June 2024, the Group's allowance for impairment losses on loans and advances to customers measured at FVTOCI was RMB1,313 million (31 December 2023: RMB390 million), refer to Note 17.2(b).

17.2 Allowance for impairment losses on loans and advances

(a) *Movements of the allowance for impairment losses on loans and advances to customers measured at amortised cost are as follows:*

	Stage 1 (12-month expected credit loss ("ECL"))	Stage 2 (Lifetime ECL not credit- impaired)	Stage 3 (Lifetime ECL credit- impaired)	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001
Transfer:				
– to stage 1	18,833	(16,802)	(2,031)	–
– to stage 2	(2,954)	5,860	(2,906)	–
– to stage 3	(1,584)	(37,018)	38,602	–
Charge for the period	43,226	36,496	13,881	93,603
Write-offs and transfer out	–	–	(37,851)	(37,851)
Recoveries of loans and advances previously written off	–	–	6,911	6,911
Other movements	194	256	(541)	(91)
Balance at 30 June 2024	400,445	145,032	273,096	818,573

	Stage 1	Stage 2	Stage 3	Total
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
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

(b) Movements of the allowance for impairment losses on loans and advances to customers measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	361	–	29	390
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Charge for the period	923	–	–	923
Balance at 30 June 2024	1,284	–	29	1,313

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	510	–	28	538
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	(46)	–	46	–
(Reverse)/charge for the year	(108)	–	224	116
Write-offs and transfer out	–	–	(270)	(270)
Other movements	5	–	1	6
Balance at 31 December 2023	361	–	29	390

18. FINANCIAL INVESTMENTS

		30 June 2024	31 December 2023
Financial investments measured at FVTPL	(a)	916,147	811,957
Financial investments measured at FVTOCI	(b)	2,641,676	2,230,862
Financial investments measured at amortised cost	(c)	9,431,099	8,806,849
		12,988,922	11,849,668

(a) Financial investments measured at FVTPL

	30 June 2024	31 December 2023
Financial investments held for trading		
Debt securities (analysed by type of issuers):		
Governments and central banks	291,435	186,993
Policy banks	20,585	21,338
Banks and other financial institutions	65,620	64,517
Corporate entities	87,241	84,302
	464,881	357,150
Equity investments	15,158	14,650
	480,039	371,800
Financial investments designated as at FVTPL		
Debt securities (analysed by type of issuers):		
Governments and central banks	2,957	372
Banks and other financial institutions	182	181
Corporate entities	223	222
	3,362	775
Funds and other investments	41,400	42,868
	44,762	43,643
Other financial investments measured at FVTPL		
Debt securities (analysed by type of issuers):		
Governments and central banks	22	–
Policy banks	8,651	13,037
Banks and other financial institutions	156,706	166,690
Corporate entities	1,778	2,517
	167,157	182,244
Equity investments	86,805	90,396
Funds and other investments	137,384	123,874
	391,346	396,514
	916,147	811,957
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	3,609	3,204
Listed outside Hong Kong SAR	23,053	20,629
Unlisted	608,738	516,336
	635,400	540,169
Equity investments:		
Listed in Hong Kong SAR	3,284	2,937
Listed outside Hong Kong SAR	27,319	27,188
Unlisted	71,360	74,921
	101,963	105,046
Funds and other investments:		
Listed in Hong Kong SAR	3,481	3,353
Listed outside Hong Kong SAR	2,671	2,393
Unlisted	172,632	160,996
	178,784	166,742
	916,147	811,957

(b) Financial investments measured at FVTOCI

	30 June 2024	31 December 2023
Debt securities (analysed by type of issuers):		
Governments and central banks	1,170,685	1,076,400
Policy banks	208,335	184,168
Banks and other financial institutions	594,849	293,463
Corporate entities	552,546	566,522
Accrued interest	24,523	22,099
	2,550,938	2,142,652
Other debt investments	5,557	5,421
Equity investments	85,181	82,789
	2,641,676	2,230,862
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	128,101	123,348
Listed outside Hong Kong SAR	244,421	339,324
Unlisted	2,178,416	1,679,980
	2,550,938	2,142,652
Other debt investments:		
Unlisted	5,557	5,421
Equity investments:		
Listed in Hong Kong SAR	9,617	5,681
Listed outside Hong Kong SAR	4,522	4,363
Unlisted	71,042	72,745
	85,181	82,789
	2,641,676	2,230,862

As at 30 June 2024, the accumulated unrealized profit of the Group's debt securities and other debt investments measured at FVTOCI was RMB51,546 million and RMB163 million (31 December 2023: the accumulated unrealized profit of RMB19,296 million and RMB66 million).

The Group designates certain non-trading equity investments as financial investments measured at FVTOCI. As at June 30, 2024, the cumulated fair value floating profit of equity investments was RMB6,283 million (December 31, 2023 : RMB4,267 million). For the six months ended 30 June 2024, dividend income from such equity investments was RMB1,310 million (six months ended 30 June 2023: RMB2,152 million). There was RMB140 million dividend income from equity investments derecognised (six months ended 30 June 2023: RMB170 million). The value of equity investments disposed of was RMB2,496 million (six months ended 30 June 2023: RMB6,749 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB35 million (six months ended 30 June 2023: cumulative gains of RMB314 million).

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

Allowance for impairment losses on financial investments measured at FVTOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position, and any impairment gain or loss is recognised in the profit or loss. Movements of the allowance for impairment losses on financial investments measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	4,835	964	3,769	9,568
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(1)	1	–	–
– to stage 3	–	–	–	–
Charge/(reverse) for the period	241	459	(45)	655
Other movements	43	22	81	146
Balance at 30 June 2024	5,118	1,446	3,805	10,369

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	4,794	1,009	3,527	9,330
Transfer:				
– to stage 1	40	(40)	–	–
– to stage 2	(49)	49	–	–
– to stage 3	–	–	–	–
(Reverse)/charge for the year	(13)	(78)	659	568
Other movements	63	24	(417)	(330)
Balance at 31 December 2023	4,835	964	3,769	9,568

(c) Financial investments measured at amortised cost

	30 June 2024	31 December 2023
Debt securities, analysed by type of issuers:		
Governments and central banks (i)	8,156,256	7,529,154
Policy banks	575,265	593,513
Banks and other financial institutions (ii)	547,169	542,365
Corporate entities	68,530	68,061
Accrued interest	107,820	98,590
	9,455,040	8,831,683
Other investments (iii)	15,867	13,869
Accrued interest	36	16
	15,903	13,885
	9,470,943	8,845,568
Less: Allowance for impairment losses	(39,844)	(38,719)
	9,431,099	8,806,849
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	35,540	38,843
Listed outside Hong Kong SAR	246,360	200,976
Unlisted	9,135,924	8,555,776
	9,417,824	8,795,595
Other investments:		
Unlisted	13,275	11,254
	13,275	11,254
	9,431,099	8,806,849
Market value of listed securities	280,637	236,482

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

Movements of the allowance for impairment losses on financial investments measured at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	36,009	11	2,699	38,719
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Charge for the period	1,113	–	–	1,113
Other movements	10	–	2	12
Balance at 30 June 2024	37,132	11	2,701	39,844

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	28,613	23	2,699	31,335
Transfer:				
– to stage 1	19	(19)	–	–
– to stage 2	(2)	2	–	–
– to stage 3	–	–	–	–
Charge for the year	7,385	4	–	7,389
Other movements	(6)	1	–	(5)
Balance at 31 December 2023	36,009	11	2,699	38,719

- (i) This includes a special government bond, which is a non-negotiable bond with a nominal value of RMB85,000 million (31 December 2023: RMB85,000 million) issued by the Ministry of Finance of the People's Republic of China (the "MOF") to the Bank in 1998. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum.
- (ii) This includes Huarong bonds of RMB90,309 million (31 December 2023: RMB90,309 million). Huarong bonds are a series of long-term bonds issued by the former China Huarong Asset Management Co., Ltd. ("Huarong") in the year of 2000 and 2001 to the Bank, with an aggregate amount of RMB312,996 million. The proceeds from the issuance of the bonds were used to purchase non-performing loans of the Bank. The bonds are non-negotiable, with a tenure of 10 years and bear interest at a fixed rate of 2.25% per annum. The MOF provides funding support for the repayment of principal and interest of the bonds. In 2010, the Bank received a notice from the MOF that the maturity dates of the Huarong bonds were extended for ten years. In 2020, the Bank received a notice from the MOF to adjust the interest rate of the Huarong bonds, starting from 1 January 2020. Interest rate would be determined on yearly basis with reference to the average level of five-year government bond yield in the previous year. In January 2021, the Bank received notice from the MOF that the maturity dates of Huarong bonds were further extended for ten years. As at 30 June 2024, the Bank had received accumulated early repayments amounting to RMB222,687 million (31 December 2023: RMB222,687 million).
- (iii) Other investments include debt investment plans, asset management plans and trust plans with fixed or determinable payments. They will mature from August 2024 to June 2034 and bear interest rates ranging from 3.20% to 6.33% per annum.

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2024	31 December 2023
Interests in associates	62,512	61,868
Interests in joint ventures	3,056	2,910
	65,568	64,778

	30 June 2024	31 December 2023
Share of net assets	51,595	50,973
Goodwill	14,492	14,324
	66,087	65,297
Less: Allowance for impairment losses	(519)	(519)
	65,568	64,778

(a) Carrying value of the Group's associates and joint ventures are as follows:

	30 June 2024	31 December 2023
Standard Bank	26,837	25,394
Other	38,731	39,384
	65,568	64,778

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

Standard Bank is a listed commercial bank registered in Johannesburg, the Republic of South Africa with an issued capital of ZAR168 million and a strategic partner of the Group. As at 30 June 2024, the Group's equity interest and voting rights in Standard Bank were 19.42% (31 December 2023: 19.39%).

The accounting policies of Standard Bank are consistent with those of the Group. Its financial information is significant to the Group and summarised as follows:

	As at/ six months ended 30 June 2024	As at/ year ended 31 December 2023
The associate		
Assets	1,237,785	1,174,552
Liabilities	1,125,947	1,068,458
Net assets	111,838	106,094
Profit from continuing operations	8,686	17,129
Equity method of the associate		
Net assets of the associate attributable to the parent company	96,601	91,062
Group's effective interest	19.42%	19.39%
Group's share of net assets of the associate	18,760	17,657
Goodwill	8,425	8,085
Closing balance of the Group's interest in Standard Bank in the consolidated statement of financial position	27,185	25,742

(b) Movements of associates and joint ventures investments of the Group are as follows:

	Balance at beginning of the period	Movements during the period						Balance at end of the period	Balance of allowance for impairment at end of the period
		Investment increase	Investment decrease	Investment income recognised under the equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Other		
Joint ventures	2,910	-	-	42	-	-	104	3,056	-
Associates									
Standard Bank	25,742	-	-	1,642	(411)	(913)	1,125	27,185	(348)
Other	36,645	-	(1,015)	778	34	(584)	(12)	35,846	(171)
Subtotal	62,387	-	(1,015)	2,420	(377)	(1,497)	1,113	63,031	(519)
Total	65,297	-	(1,015)	2,462	(377)	(1,497)	1,217	66,087	(519)

20. PROPERTY AND EQUIPMENT

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment and motor vehicles	Aircraft and vessels	Total
Cost						
At 1 January 2023	191,703	17,106	14,335	83,383	198,453	504,980
Additions	509	17,954	751	6,589	3,955	29,758
CIP transfer in/(out)	5,904	(10,685)	–	136	4,645	–
Disposals and other movements	(2,413)	(155)	(106)	(6,350)	(3,280)	(12,304)
At 31 December 2023 and 1 January 2024	195,703	24,220	14,980	83,758	203,773	522,434
Additions	1,133	5,380	211	1,739	4,661	13,124
CIP transfer in/(out)	1,197	(7,297)	–	4	6,096	–
Disposals and other movements	(575)	(40)	(138)	(1,483)	(2,937)	(5,173)
At 30 June 2024	197,458	22,263	15,053	84,018	211,593	530,385
Accumulated depreciation and allowance for impairment losses:						
At 1 January 2023	82,155	34	12,359	66,191	50,354	211,093
Depreciation charge for the year	7,011	–	854	8,182	6,811	22,858
Impairment charge for the year	–	–	–	–	1,297	1,297
Disposals and other movements	(1,229)	–	(93)	(6,224)	(4,146)	(11,692)
At 31 December 2023 and 1 January 2024	87,937	34	13,120	68,149	54,316	223,556
Depreciation charge for the period	3,514	–	402	3,683	3,442	11,041
Impairment charge for the period	–	–	–	–	261	261
Disposals and other movements	(245)	–	(130)	(1,140)	(734)	(2,249)
At 30 June 2024	91,206	34	13,392	70,692	57,285	232,609
Carrying amount						
At 31 December 2023	107,766	24,186	1,860	15,609	149,457	298,878
At 30 June 2024	106,252	22,229	1,661	13,326	154,308	297,776

As at 30 June 2024, the process of obtaining the legal titles for the Group's properties and buildings with an aggregate carrying amount of RMB5,071 million (31 December 2023: RMB6,421 million) was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

As at 30 June 2024, the carrying amount of aircraft and vessels leased out by the Group under operating leases was RMB154,308 million (31 December 2023: RMB149,457 million).

As at 30 June 2024, the carrying amount of aircraft and vessels owned by the Group that have been pledged as collateral for liabilities due to banks and other financial institutions was RMB74,493 million (31 December 2023: RMB72,257 million).

As at 30 June 2024, the carrying amount of aircraft and vessels construction in progress was RMB15,865 million (31 December 2023: RMB17,670 million).

21. DEFERRED TAX ASSETS AND LIABILITIES

(a) Analysed by nature

Deferred tax assets:

	30 June 2024		31 December 2023	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Allowance for impairment losses	493,071	122,538	450,033	111,767
Change in fair value of financial instruments measured at FVTPL	(46,520)	(11,636)	(16,762)	(4,221)
Change in fair value of financial instruments measured at FVTOCI	(74,407)	(18,805)	(35,609)	(9,222)
Accrued staff costs	38,488	9,620	46,529	11,623
Other	(14,608)	(3,779)	(21,244)	(5,278)
	396,024	97,938	422,947	104,669

Deferred tax liabilities:

	30 June 2024		31 December 2023	
	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)
Allowance for impairment losses	(218)	(77)	(109)	(38)
Change in fair value of financial instruments measured at FVTPL	8,763	1,933	7,729	1,701
Change in fair value of financial instruments measured at FVTOCI	(1,431)	(399)	(146)	64
Other	11,515	3,065	8,912	2,203
	18,629	4,522	16,386	3,930

(b) Movements of deferred income tax

Deferred tax assets:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	30 June 2024
Allowance for impairment losses	111,767	10,771	–	122,538
Change in fair value of financial instruments measured at FVTPL	(4,221)	(7,415)	–	(11,636)
Change in fair value of financial instruments measured at FVTOCI	(9,222)	–	(9,583)	(18,805)
Accrued staff costs	11,623	(2,003)	–	9,620
Other	(5,278)	(780)	2,279	(3,779)
	104,669	573	(7,304)	97,938

Deferred tax liabilities:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	30 June 2024
Allowance for impairment losses	(38)	(39)	–	(77)
Change in fair value of financial instruments measured at FVTPL	1,701	232	–	1,933
Change in fair value of financial instruments measured at FVTOCI	64	–	(463)	(399)
Other	2,203	862	–	3,065
	3,930	1,055	(463)	4,522

Deferred tax assets:

	1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2023
Allowance for impairment losses	99,753	12,014	–	111,767
Change in fair value of financial instruments measured at FVTPL	(1,194)	(3,027)	–	(4,221)
Change in fair value of financial instruments measured at FVTOCI	(2,449)	–	(6,773)	(9,222)
Accrued staff costs	10,839	784	–	11,623
Other	(5,832)	(942)	1,496	(5,278)
	101,117	8,829	(5,277)	104,669

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

Deferred tax liabilities:

	1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2023
Allowance for impairment losses	(196)	158	–	(38)
Change in fair value of financial instruments measured at FVTPL	1,845	(144)	–	1,701
Change in fair value of financial instruments measured at FVTOCI	710	–	(646)	64
Other	1,591	612	–	2,203
	3,950	626	(646)	3,930

As at 30 June 2024 and 31 December 2023, the Group did not have significant unrecognised deferred tax assets.

22. OTHER ASSETS

	30 June 2024	31 December 2023
Settlement and clearing balances	302,778	213,951
Precious metals	180,455	140,230
Right-of-use assets (i)	26,360	28,538
Land use rights	14,228	14,438
Goodwill (ii)	9,475	9,357
Advance payments	7,339	7,034
Repossessed assets (iii)	6,188	6,502
Interest receivable	3,122	3,425
Other	101,508	121,963
	651,453	545,438
Less: Allowance for impairment losses	(12,835)	(11,891)
	638,618	533,547

(i) Right-of-use assets

	Properties and buildings	Aircraft and vessels	Office equipment and motor vehicles	Total
Cost				
At 1 January 2023	37,837	20,418	395	58,650
Additions	6,231	1,106	162	7,499
Disposals and other movements	(4,877)	(6,873)	1,051	(10,699)
At 31 December 2023 and 1 January 2024	39,191	14,651	1,608	55,450
Additions	3,107	–	16	3,123
Disposals and other movements	(1,397)	(2,235)	(45)	(3,677)
At 30 June 2024	40,901	12,416	1,579	54,896
Accumulated depreciation				
At 1 January 2023	21,156	3,516	325	24,997
Depreciation charge for the year	6,730	689	95	7,514
Disposals and other movements	(4,321)	(1,414)	136	(5,599)
At 31 December 2023 and 1 January 2024	23,565	2,791	556	26,912
Depreciation charge for the period	3,138	330	41	3,509
Disposals and other movements	(1,256)	(598)	(31)	(1,885)
At 30 June 2024	25,447	2,523	566	28,536
Allowance for impairment losses				
At 1 January 2023	35	855	–	890
Other movements	1	(325)	–	(324)
At 31 December 2023 and 1 January 2024	36	530	–	566
Other movements	1	(21)	–	(20)
At 30 June 2024	37	509	–	546
Carrying amount				
At 31 December 2023	15,590	11,330	1,052	27,972
At 30 June 2024	15,417	9,384	1,013	25,814

(ii) Goodwill

	30 June 2024	31 December 2023
At 1 January	9,357	9,181
Exchange difference	118	176
Subtotal	9,475	9,357
Less: Allowance for impairment losses	(399)	(390)
Net carrying amount	9,076	8,967

The goodwill is attributable to the expected synergies arising from acquisition of several subsidiaries such as ICBC Asia and ICBC Macau in prior year.

Goodwill arising from business combinations has been reasonably allocated to the Group's cash-generating units ("CGU"), which is not larger than the reportable segment of the Group, for impairment testing.

The recoverable amount of the CGU is determined based on the discounted future cash flows of the CGU. The cash flow projections are based on financial forecasts approved by management of the subsidiaries. The average growth rates are projected based on the similar rates which do not exceed the long-term average growth rate for the business in which the CGU operates in. The discount rate is the before-tax rate and reflects the specific risk associated with the CGU.

(iii) Repossessed assets

	30 June 2024	31 December 2023
Properties and buildings	5,601	5,878
Other	587	624
Subtotal	6,188	6,502
Less: Allowance for impairment losses	(2,965)	(3,116)
	3,223	3,386

23. IMPAIRMENT ALLOWANCE

	At 1 January 2024	Charge for the period	Write-offs and transfer out	Recoveries of previous write-offs	Other	At 30 June 2024
Due from banks and other financial institutions	3,560	2,365	–	–	46	5,971
Reverse repurchase agreements	97	307	–	–	(1)	403
Loans and advances to customers	756,391	94,526	(37,851)	6,911	(91)	819,886
Financial investments	48,287	1,768	(22)	–	180	50,213
Investments in associates and joint ventures	519	–	–	–	–	519
Property and equipment	11,522	261	(513)	–	66	11,336
Credit commitments	24,185	1,246	–	–	91	25,522
Other	39,691	1,596	(826)	34	(108)	40,387
Total	884,252	102,069	(39,212)	6,945	183	954,237

	At 1 January 2023	Charge/ (reverse) for the year	Write-offs and transfer out	Recoveries of previous write-offs	Other	At 31 December 2023
Due from banks and other financial institutions	1,500	2,040	–	–	20	3,560
Reverse repurchase agreements	475	(387)	–	–	9	97
Loans and advances to customers	672,762	143,422	(72,991)	14,915	(1,717)	756,391
Financial investments	40,665	7,957	(563)	–	228	48,287
Investments in associates and joint ventures	365	154	–	–	–	519
Property and equipment	13,685	1,297	(3,619)	–	159	11,522
Credit commitments	27,640	(3,585)	–	–	130	24,185
Other	40,159	(82)	(1,298)	226	686	39,691
Total	797,251	150,816	(78,471)	15,141	(485)	884,252

24. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2024	31 December 2023
Deposits:		
Banks and other financial institutions operating in Chinese mainland	3,359,343	2,698,821
Banks and other financial institutions operating outside Chinese mainland	172,163	138,308
Accrued interest	24,627	4,256
	3,556,133	2,841,385
Money market takings:		
Banks and other financial institutions operating in Chinese mainland	244,625	228,733
Banks and other financial institutions operating outside Chinese mainland	304,208	288,883
Accrued interest	8,811	10,857
	557,644	528,473
	4,113,777	3,369,858

25. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024	31 December 2023
Financial liabilities related to precious metals and account-based investment products (i)	58,094	51,843
Debt securities issued (i)	10,611	5,647
Other	3,151	5,369
	71,856	62,859

- (i) Financial liabilities related to precious metals and account-based investment products, and certain issued debt securities have been matched with precious metals or derivatives of the Group as part of a documented risk management strategy to mitigate market risk. An accounting mismatch would arise if these financial liabilities were accounted for at amortised cost, whereas the related precious metals or derivative were measured at fair value with movements in fair value taken through the statement of profit or loss. By designating these financial liabilities at FVTPL, the movement in their fair values is recorded in the statement of profit or loss. As at 30 June 2024 and 31 December 2023, the difference between the fair values of the financial liabilities related to precious metals, account-based investment products and issued debt securities and the amounts that the Group would be contractually required to pay to the holders of the financial liabilities related to precious metals, account-based investment products and issued debt securities upon maturity was not significant.

For the six months ended 30 June 2024 and the year ended 31 December 2023, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective period/year were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in other market factors.

26. REPURCHASE AGREEMENTS

	30 June 2024	31 December 2023
Measured at amortised cost:		
Repurchase agreements-bills	14,788	11,738
Repurchase agreements-securities	1,546,016	968,339
Accrued interest	18,323	9,855
	1,579,127	989,932
Measured at FVTPL:		
Repurchase agreements-securities and cash received as collateral on securities lending	68,199	28,174
Total	1,647,326	1,018,106

27. CERTIFICATES OF DEPOSIT

Certificates of deposit issued by certain of the Bank's overseas branches and subsidiaries are measured at amortised cost.

28. DUE TO CUSTOMERS

	30 June 2024	31 December 2023
Demand deposits:		
Corporate customers	7,323,016	7,366,691
Personal customers	6,149,139	6,083,841
	13,472,155	13,450,532
Time deposits:		
Corporate customers	8,556,554	8,843,237
Personal customers	11,372,222	10,481,727
	19,928,776	19,324,964
Other	212,811	210,185
Accrued interest	493,574	535,493
	34,107,316	33,521,174

As at 30 June 2024, the Group's pledged deposits included in above amounted to RMB220,146 million (31 December 2023: RMB171,113 million).

29. DEBT SECURITIES ISSUED

	30 June 2024	31 December 2023
Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (a)		
Issued by the Bank	632,508	682,184
Issued by subsidiaries	9,574	9,543
Accrued interest	13,115	12,402
	655,197	704,129
Other debt securities (b)		
Issued by the Bank	823,826	554,931
Issued by subsidiaries	106,970	108,393
Accrued interest	2,745	2,324
	933,541	665,648
	1,588,738	1,369,777

As at 30 June 2024, the amount of debt securities issued that were due within one year was RMB745,143 million (31 December 2023: RMB476,234 million).

For the six months ended 30 June 2024, the Group has not had any defaults in respect of payments of principal or interest or other breaches with respect to the bonds (year ended 31 December 2023: Nil).

(a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds

The Bank:

As approved by the PBOC and the National Administration of Financial Regulation (hereinafter referred to as the “NFRA”), the Bank issued callable subordinated bonds and tier 2 capital bonds in the National Interbank Bond Market through open market bidding. These subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (TLAC Non-Capital Bonds) were traded on the National Interbank Bond Market. The relevant information is set out below:

Name	Issue date	Issue price	Issued and nominal amount	Coupon rate	Value date	Maturity date	Circulation date
		(In RMB)	(In RMB million)				
11 ICBC 01	29/06/2011	100 Yuan	38,000	5.56%	30/06/2011	30/06/2031	30/08/2011
19 ICBC 02 Tier 2 Bond	21/03/2019	100 Yuan	10,000	4.51%	25/03/2019	25/03/2034	26/03/2019
19 ICBC 04 Tier 2 Bond	24/04/2019	100 Yuan	10,000	4.69%	26/04/2019	26/04/2034	28/04/2019
20 ICBC 01 Tier 2 Bond	22/09/2020	100 Yuan	60,000	4.20%	24/09/2020	24/09/2030	25/09/2020
20 ICBC 02 Tier 2 Bond	12/11/2020	100 Yuan	30,000	4.15%	16/11/2020	16/11/2030	17/11/2020
20 ICBC 03 Tier 2 Bond	12/11/2020	100 Yuan	10,000	4.45%	16/11/2020	16/11/2035	17/11/2020
21 ICBC 01 Tier 2 Bond	19/01/2021	100 Yuan	30,000	4.15%	21/01/2021	21/01/2031	22/01/2021
21 ICBC 02 Tier 2 Bond	13/12/2021	100 Yuan	50,000	3.48%	15/12/2021	15/12/2031	16/12/2021
21 ICBC 03 Tier 2 Bond	13/12/2021	100 Yuan	10,000	3.74%	15/12/2021	15/12/2036	16/12/2021
22 ICBC 01 Tier 2 Bond	18/01/2022	100 Yuan	35,000	3.28%	20/01/2022	20/01/2032	21/01/2022
22 ICBC 02 Tier 2 Bond	18/01/2022	100 Yuan	5,000	3.60%	20/01/2022	20/01/2037	21/01/2022
22 ICBC 03 Tier 2 Bond	12/04/2022	100 Yuan	45,000	3.50%	14/04/2022	14/04/2032	15/04/2022
22 ICBC 04 Tier 2 Bond	12/04/2022	100 Yuan	5,000	3.74%	14/04/2022	14/04/2037	15/04/2022
22 ICBC 03A Tier-2 Capital Bonds	18/08/2022	100 Yuan	30,000	3.02%	22/08/2022	22/08/2032	23/08/2022
22 ICBC 03B Tier-2 Capital Bonds	18/08/2022	100 Yuan	10,000	3.32%	22/08/2022	22/08/2037	23/08/2022
22 ICBC 04A Tier-2 Capital Bonds	08/11/2022	100 Yuan	50,000	3.00%	10/11/2022	10/11/2032	11/11/2022
22 ICBC 04B Tier-2 Capital Bonds	08/11/2022	100 Yuan	10,000	3.34%	10/11/2022	10/11/2037	11/11/2022
22 ICBC 05A Tier-2 Capital Bonds	20/12/2022	100 Yuan	25,000	3.70%	22/12/2022	22/12/2032	23/12/2022
22 ICBC 05B Tier-2 Capital Bonds	20/12/2022	100 Yuan	5,000	3.85%	22/12/2022	22/12/2037	23/12/2022
23 ICBC 01A Tier-2 Capital Bonds	10/04/2023	100 Yuan	35,000	3.49%	12/04/2023	12/04/2033	13/04/2023
23 ICBC 01B Tier-2 Capital Bonds	10/04/2023	100 Yuan	20,000	3.58%	12/04/2023	12/04/2038	13/04/2023
23 ICBC 02A Tier-2 Capital Bonds	28/08/2023	100 Yuan	30,000	3.07%	30/08/2023	30/08/2033	31/08/2023
23 ICBC 02B Tier-2 Capital Bonds	28/08/2023	100 Yuan	25,000	3.18%	30/08/2023	30/08/2038	31/08/2023
24 ICBC 01A TLAC Non-Capital Bonds	15/05/2024	100 Yuan	30,000	2.25%	17/05/2024	17/05/2028	20/05/2024
24 ICBC 01B TLAC Non-Capital Bonds	15/05/2024	100 Yuan	10,000	2.35%	17/05/2024	17/05/2030	20/05/2024

The Bank has the option to redeem these bonds in whole or in part on specific dates at par value in future upon the approval of the relevant regulatory authorities.

In 2015, the Bank issued tier 2 capital bonds denominated in USD. The bonds were approved for listing and dealing by The Stock Exchange of Hong Kong Limited. The relevant information is set out below:

Name	Issue date	Currency	Issued price	Issued amount	Ending balance	Coupon rate	Value date	Maturity date	Circulation date
			(In original currency)	(In original currency)	(In RMB)				
15 USD Tier 2 capital bonds	21/09/2015	USD	99.189	2,000 (million)	14,500 (million)	4.875%	21/09/2015	21/09/2025	22/09/2015

The bonds cannot be redeemed before maturity.

Subsidiaries:

On 23 March 2018, ICBC Thai issued a tier 2 capital bond with an aggregate nominal amount of THB5,000 million, bearing a fixed interest rate of 3.5%. The bond will mature on 23 September 2028.

On 12 September 2019, ICBC Macau issued a tier 2 capital bond with an aggregate nominal amount of USD500 million, bearing a fixed interest rate of 2.875%. The bond will mature on 12 September 2029.

On 15 March 2022, ICBC-AXA issued a capital supplementary bond with an aggregate nominal amount of RMB5,000 million, bearing an initial fixed interest rate of 3.7%. The bond will mature on 17 March 2032. The issuer has an option to redeem the capital supplementary bond in whole or in part at par value at the end of the fifth interest-bearing year. If the issuer does not exercise the redemption option, the coupon rate would increase to 4.7% from the sixth interest-bearing year.

The above tier 2 capital bonds are separately traded on the Thai Bond Market Association, The Stock Exchange of Hong Kong Limited and the National Interbank Bond Market.

(b) Other debt securities issued

The Bank:

- (i) Head Office issued debt securities and negotiable certificates of deposit, denominated in RMB at fixed interest rates amounting to RMB691,339 million in total with maturities between the second half of 2024 and 2026. The coupon rates range from 0% to 2.80%.
- (ii) Sydney Branch issued debt securities and notes denominated in AUD and USD at fixed or floating interest rates amounting to an equivalent of RMB5,955 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 1.09% to 6.90%.
- (iii) Singapore Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB31,949 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 1.00% to 6.10%.
- (iv) New York Branch issued debt securities and notes denominated in USD at fixed interest rates amounting to an equivalent of RMB10,011 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 0% to 3.54%.
- (v) Luxembourg Branch issued debt securities denominated in EUR at fixed interest rates amounting to an equivalent of RMB6,213 million in total with maturities between the second half of 2024 and 2026. The coupon rates range from 0.13% to 4.13%.
- (vi) Dubai (DIFC) Branch issued notes denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB15,439 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 2.70% to 6.38%.
- (vii) Hong Kong Branch issued notes denominated in USD at fixed or floating interest rates amounting to an equivalent of RMB46,443 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 1.20% to 6.38%.

Notes to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

- (viii) London Branch issued notes denominated in GBP, USD and EUR at fixed or floating interest rates amounting to an equivalent of RMB12,133 million in total with maturities between 2025 and 2027. The coupon rates range from 1.63% to 6.05%.
- (ix) Macau Branch issued debt securities and notes denominated in USD and MOP at fixed or floating interest rates amounting to an equivalent of RMB4,344 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 4.70% to 6.15%.

Subsidiaries:

- (i) ICBC Asia issued debt securities and negotiable certificates of deposit denominated in RMB and USD at fixed interest rates amounting to an equivalent of RMB7,903 million in total with maturities between the second half of 2024 and 2026. The coupon rates range from 3.15% to 5.50%.
- (ii) ICBC Leasing issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB59,657 million in total with maturities between the second half of 2024 and 2031. The coupon rates range from 1.25% to 6.64%.
- (iii) ICBC Thai issued debt securities denominated in THB at fixed interest rates amounting to an equivalent of RMB7,632 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 1.30% to 3.70%.
- (iv) ICBC International issued notes denominated in RMB and USD at fixed interest rates amounting to an equivalent of RMB11,852 million in total with maturities between the second half of 2024 and 2027. The coupon rates range from 1.10% to 5.40%.
- (v) ICBC New Zealand issued debt securities denominated in NZD at fixed or floating interest rates amounting to an equivalent of RMB1,542 million in total with maturities between 2025 and 2029. The coupon rates range from 5.78% to 6.77%.
- (vi) ICBC Investment issued debt securities denominated in RMB at fixed interest rates amounting to RMB13,000 million in total with maturities between the second half of 2024 and 2025. The coupon rates range from 2.20% to 3.35%.
- (vii) ICBC Canada issued negotiable certificates of deposit denominated in CAD at fixed interest rates amounting to an equivalent of RMB416 million in total which will mature in the second half of 2024. The coupon rate is 0%.
- (viii) ICBC Macau issued debt securities denominated in RMB at fixed interest rates amounting to RMB4,968 million in total with maturities between the second half of 2024 and 2026. The coupon rates range from 2.58% to 3.09%.

30. OTHER LIABILITIES

		30 June 2024	31 December 2023
Settlement and clearing balances		345,531	296,443
Insurance business liabilities		284,174	277,321
Dividends payable		109,203	–
Salaries, bonuses, allowances and subsidies payables	(a)	36,928	44,768
Provisions for credit commitments	(b)	25,522	24,185
Lease liabilities	(c)	22,967	24,849
Sundry tax payables		16,450	15,941
Promissory notes		417	1,716
Early retirement benefits		9	12
Other		99,821	133,407
		941,022	818,642

(a) There were no overdue payment for staff salaries, bonuses, allowances and subsidies payables as at 30 June 2024 (31 December 2023: Nil).

(b) Provisions for credit commitments

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	17,897	5,634	654	24,185
Transfer:				
– to stage 1	260	(260)	–	–
– to stage 2	(276)	276	–	–
– to stage 3	(31)	(15)	46	–
Charge/(reverse) for the period	2,756	(904)	(606)	1,246
Other movements	74	17	–	91
Balance at 30 June 2024	20,680	4,748	94	25,522

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	20,783	6,611	246	27,640
Transfer:				
– to stage 1	341	(341)	–	–
– to stage 2	(301)	301	–	–
– to stage 3	(71)	(113)	184	–
(Reverse)/charge for the year	(2,953)	(855)	223	(3,585)
Other movements	98	31	1	130
Balance at 31 December 2023	17,897	5,634	654	24,185

(c) Lease liabilities

	30 June 2024	31 December 2023
Less than one year	7,236	8,073
One to two years	5,549	6,109
Two to three years	4,138	4,689
Three to five years	5,044	5,441
More than five years	2,668	3,023
Undiscounted lease liabilities	24,635	27,335
Closing balance of lease liabilities	22,967	24,849

31. SHARE CAPITAL

	30 June 2024		31 December 2023	
	Number of shares (millions)	Nominal value	Number of shares (millions)	Nominal value
Issued and fully paid:				
H shares of RMB1 Yuan each	86,795	86,795	86,795	86,795
A shares of RMB1 Yuan each	269,612	269,612	269,612	269,612
	356,407	356,407	356,407	356,407

Except for the dividends of H shares which are payable in Hong Kong dollars, all of the ordinary A shares and H shares rank pari passu with each other in respect of dividends on ordinary shares.

32. OTHER EQUITY INSTRUMENTS

(1) Preference shares

(a) Preference shares ("Preference Shares") outstanding:

Financial instrument outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million shares)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore Preference Shares:										
USD	23/09/2020	Equity	3.58%	USD20/Share	145	2,900	19,716	None	Mandatory	No
Domestic Preference Shares:										
RMB2015	18/11/2015	Equity	4.58%	RMB100/Share	450	45,000	45,000	None	Mandatory	No
RMB2019	19/09/2019	Equity	4.20%	RMB100/Share	700	70,000	70,000	None	Mandatory	No
Total							134,716			

(b) Main clauses and basic information

(i) Dividend

Offshore and domestic dividends are paid annually.

Offshore and domestic dividends are set at a fixed rate for 5 years after issuance and are reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread. The fixed spread is equal to the spread between the initial offshore and domestic dividend rate and the benchmark rate at the time of issuance. The fixed spread remains unchanged throughout the term of the Preference Shares.

(ii) Conditions to distribution of dividends

The Bank can pay offshore and domestic dividends when it has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general provisions, and the Bank's capital adequacy ratios meet regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders in respect of the right to dividends. The order of payment of domestic dividends is equal to offshore dividends. The Bank may elect to cancel all or part of offshore and domestic dividends and this shall not constitute a default for any purpose, but such cancellation will require a shareholder's resolution to be passed.

(iii) Dividend stopper and setting mechanism

For Offshore and Domestic Preference Shares, if the Bank cancels all or part of the dividends to the Preference Shares, the Bank shall not make any dividend distribution to ordinary shareholders before the Bank pays the dividends to the preference shareholders in full for the current dividend period.

Non-cumulative dividend is a dividend on Offshore and Domestic Preference Shares which does not cumulate upon omission of payment and the passed or omitted dividend of one year is not carried to the following year. After receiving a dividend at the agreed dividend rate, preference shareholders of the Bank will not participate in the distribution of residual profits with ordinary shareholders.

The Bank shall distribute dividends for Offshore and Domestic Preference Shares in cash, based on the liquidation preference amount for the issued and outstanding Offshore Preference Shares or total amount of issued and outstanding Domestic Preference Shares during the corresponding period (i.e. the product of the issue price of Preference Shares and the number of the issued and outstanding preference shares).

(iv) Order of distribution and liquidation method

The offshore preference shareholders and domestic preference shareholders will rank equally for payment. The preference shareholders will be subordinated to the depositors, general creditors and holders of convertible bonds, holders of TLAC Non-Capital Bonds, holders of subordinated debts, holders of tier 2 capital bonds and holders of other tier 2 capital instruments of the Bank but will be senior to the ordinary shareholders of the Bank.

(v) Mandatory conversion trigger events

For Offshore Preference Shares, upon the occurrence of any Non-Viability Trigger Event, the Bank shall have the right to irrevocably and compulsorily convert all or part of the outstanding Offshore Preference Shares into H shares, under the consent of NFRA but without the need for the consent of the offshore preference shareholders or the ordinary shareholders. If the Offshore Preference Shares were converted into H shares, they cannot be converted to Preference Shares again under any circumstances.

For Domestic Preference Shares, upon the occurrence of an Additional Tier 1 Capital Trigger Event (Common Equity Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all or part of the outstanding face value of Domestic Preference Shares into A shares, in order to restore the Common Equity Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%. If Domestic Preference Shares were converted into A shares, they cannot be converted to Preference Shares again under any circumstances. Upon the occurrence of a Tier 2 Capital Trigger Event, the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all the outstanding face value of Domestic Preference Shares into A shares. If Domestic Preference Shares were converted into A share, they cannot be converted to Preference Shares again under any circumstances.

The initial mandatory conversion prices are HKD5.73 per H share for Offshore Preference Shares; RMB3.44 for Domestic 2015 Preference Shares and RMB5.43 for Domestic 2019 Preference Shares. In case of stock dividends distribution of H or A shares of the Bank or other circumstances, the Bank will make cumulative adjustment to the compulsory conversion price in turn.

(vi) Redemption conditions

Subject to obtaining the approval of the NFRA and satisfying the conditions of redemption, the Bank has the right to redeem all or part of the Offshore Preference Shares at the first call date and any subsequent dividend payment date. Redemption price of Offshore Preference Shares is equal to liquidation preference price plus any declared but unpaid dividend in current period. The first redemption date of Offshore Preference Shares is five years after issuance.

Under the premise of obtaining the approval of the NFRA and compliance with relevant requirements, the Bank has the right to redeem all or part of Domestic Preference Shares, after five years having elapsed since the date of issuance/the date of closing. The redemption period of Domestic Preference Shares is from the start date of redemption to the date of full redemption or conversion. Redemption price of Domestic Preference Shares is equal to book value plus any declared but unpaid dividend in current period.

(c) Changes in preference shares outstanding

Financial instrument outstanding	1 January 2024			Movement during the period			30 June 2024		
	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)
Offshore Preference Shares:									
USD	145	2,900	19,716	-	-	-	145	2,900	19,716
Domestic Preference Shares:									
RMB2015	450	45,000	45,000	-	-	-	450	45,000	45,000
RMB2019	700	70,000	70,000	-	-	-	700	70,000	70,000
Total			134,716			-			134,716

The carrying amount of preference shares issued by the Bank, net of related issuance fees, was RMB134,614 million as at 30 June 2024 (31 December 2023: RMB134,614 million).

(2) Perpetual bond

(a) Perpetual bond outstanding

Financial instrument outstanding	Issue date	Accounting classification	Interest rate	Issue price	Amount (million units)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore										
USD Perpetual bond	24/09/2021	Equity	3.20%	Note (i)	N/A	6,160	39,793	None	None	No
Domestic										
RMB2019 Perpetual bond	26/07/2019	Equity	4.45%	RMB100/Unit	800	80,000	80,000	None	None	No
RMB2021 Perpetual bond Series 1	04/06/2021	Equity	4.04%	RMB100/Unit	700	70,000	70,000	None	None	No
RMB2021 Perpetual bond Series 2	24/11/2021	Equity	3.65%	RMB100/Unit	300	30,000	30,000	None	None	No
Total							219,793			

(i) Offshore USD Perpetual Bond was issued in specific denomination of USD200,000 and integral multiples of USD1,000 in excess thereof at an issue price of 100%.

(b) Main clauses and basic information

With the approvals of relevant regulatory authorities, the Bank issued RMB80,000 million, RMB70,000 million and RMB30,000 million of undated capital bonds on 26 July 2019, 4 June 2021 and 24 November 2021 (hereinafter referred to as "2019 Domestic Perpetual Bond", "2021 Domestic Perpetual Bond Series 1" and "2021 Domestic Perpetual Bond Series 2" respectively, collectively Domestic Perpetual Bonds) in the National Interbank Bond Market.

The Bank issued USD6,160 million of undated capital bonds (hereinafter referred to as "Offshore Perpetual Bond") on The Stock Exchange of Hong Kong Limited on 24 September 2021.

The funds raised by the Bank from the bonds were used to supplement additional tier 1 capital of the Bank in accordance with the relevant laws and approvals by regulatory authorities.

(i) Interest

Each Domestic Perpetual Bond has a par value of RMB100, and the interest rate of the bonds for the first five years are 4.45% for 2019 Domestic Perpetual Bond, 4.04% for 2021 Domestic Perpetual Bond Series 1, and 3.65% for 2021 Domestic Perpetual Bond Series 2, resetting every 5 years. The rates are determined by a benchmark rate plus a fixed spread. The initial fixed spreads are the difference between the interest rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period. The interest of Domestic Perpetual Bonds shall be paid annually.

The interest rate of Offshore Perpetual Bond for the first five years is 3.20%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread, and the fixed spread will remain unchanged during the duration period. The dividend shall be paid semi-annually.

(ii) Interest stopper and setting mechanism

The interest payment for both the Domestic Perpetual Bonds and Offshore Perpetual Bond is non-cumulative. The Bank shall have the right to cancel, in whole or in part, distributions on the interest payment and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

(iii) Order of distribution and liquidation method

The claims in respect of Domestic Perpetual Bonds will be subordinated to claims of depositors, general creditors, holders of TLAC Non-Capital Bonds, and subordinated indebtedness that rank senior to Domestic Perpetual Bonds and will rank in priority to all classes of shares held by shareholders of the Bank. The claims in respect of Offshore Perpetual Bond will be subordinated to claims of depositors, general creditors, holders of TLAC Non-Capital Bonds, tier 2 capital bond holders and subordinated indebtedness that rank senior to the Offshore Perpetual Bond and will rank in priority to all classes of shares held by shareholders of the Bank. Domestic Perpetual Bonds and Offshore Perpetual Bond will rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bonds.

(iv) Write down conditions

For 2019 Domestic Perpetual Bond, upon the occurrence of an Additional Tier 1 Capital Trigger Event (Common Equity Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), the Bank has the right to write down all or part of the total nominal amount of the outstanding 2019 Domestic Perpetual Bond with the consent of the NFRA but without the need for the consent of the bond holders, in order to restore the Common Equity Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%. Upon the occurrence of a Tier 2 Capital Trigger Event, without the need for the consent of the bond holders, the Bank has the right to write down all the total nominal amount of the outstanding 2019 Domestic Perpetual Bond.

For 2021 Domestic Perpetual Bond Series 1 and 2021 Domestic Perpetual Bond Series 2, upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the nominal amount of the outstanding perpetual bonds without the need for the consent of the bond holders.

For Offshore Perpetual Bond, upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the perpetual bonds issued and outstanding at that time up to the total nominal value without the need for the consent of the bond holders.

(v) Redemption conditions

The duration of the Domestic Perpetual Bonds and Offshore Perpetual Bond is the same as the continuing operation of the Bank. Five years after the issuance date of the Domestic Perpetual Bonds and Offshore Perpetual Bond, the Bank shall have the right to redeem them in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). In the event that the perpetual bonds are not classified as additional tier 1 capital due to unpredicted changes in regulations, the Bank shall have the right to redeem Domestic Perpetual Bonds and Offshore Perpetual Bond fully instead of partly.

(c) Changes in perpetual bond outstanding

Financial instrument outstanding	1 January 2024			Movement during the period			30 June 2024		
	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)
Offshore									
USD Perpetual bond	N/A	6,160	39,793	-	-	-	N/A	6,160	39,793
Domestic									
RMB2019 Perpetual bond	800	80,000	80,000	-	-	-	800	80,000	80,000
RMB2021 Perpetual bond Series 1	700	70,000	70,000	-	-	-	700	70,000	70,000
RMB2021 Perpetual bond Series 2	300	30,000	30,000	-	-	-	300	30,000	30,000
Total			219,793			-			219,793

The carrying amount of perpetual bonds issued by the Bank, net of related issuance fees, was RMB219,717 million as at 30 June 2024 (31 December 2023: RMB219,717 million).

(3) Interests attributable to equity instruments' holders

Items	30 June 2024	31 December 2023
1. Total equity attributable to equity holders of the parent company	3,843,526	3,756,887
(1) Equity attributable to ordinary shareholders of the parent company	3,489,195	3,402,556
(2) Equity attributable to other equity instrument holders of the parent company	354,331	354,331
2. Total equity attributable to non-controlling interests	20,975	19,701
(1) Equity attributable to ordinary shareholders of non-controlling interests	20,103	19,701
(2) Equity attributable to other equity instrument holders of non-controlling interests	872	-

33. RESERVES

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value.

(b) Surplus reserves

(i) Statutory surplus reserve

The Bank is required to appropriate 10% of its profit for the year, as determined under the Accounting Standards for Business Enterprises and other relevant requirements ("PRC GAAP"), pursuant to the Company Law of the PRC and the Articles of the Bank to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses of the Bank, if any, and may also be converted into capital of the Bank, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

(ii) Discretionary surplus reserve

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the PRC GAAP to the discretionary surplus reserve upon approval by the shareholders in general meeting. Subject to the approval of the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

(iii) Other surplus reserves

The Bank's overseas entities appropriate their profits to other surplus reserves or statutory reserve in accordance with the relevant laws and regulations promulgated by the local regulatory bodies.

(c) General reserve

In accordance with the "Administrative Measures for the Provision of Reserves of Financial Enterprises" (Cai Jin [2012] No. 20) issued by the MOF, the Bank maintains a general reserve within equity, through the appropriation of profit for the year, which should not be less than 1.5% of the year-end balance of its risk assets, to partially cover unidentified possible losses.

The Bank's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(d) Investment revaluation reserve

The investment revaluation reserve records the fair value changes and impairment provision of financial investments measured at FVTOCI.

(e) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the subsidiaries and branches incorporated outside Chinese mainland.

(f) Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the gains or losses on the hedging instruments.

(g) Other reserves

Other reserves represent reserves other than the items listed above, including other comprehensive income recognised under the equity method.

(h) Distributable profits

The Bank's distributable profit is based on its retained profits as determined under PRC GAAP and IFRSs, whichever is lower. The amount that the Bank's subsidiaries can legally distribute is determined by referring to their profits as reflected in their financial statements prepared in accordance with the accounting regulations and principles promulgated by the local regulatory bodies. These profits may differ from those dealt with in these financial statements, which are prepared in accordance with IFRSs.

34. OTHER COMPREHENSIVE INCOME

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

	Investment revaluation reserve	Foreign currency translation reserve	Other	Total
1 January 2023	2,343	(17,241)	(8,858)	(23,756)
Movement during the year	21,704	1,633	(3,659)	19,678
31 December 2023 and 1 January 2024	24,047	(15,608)	(12,517)	(4,078)
Movement during the period	25,357	9,174	(5,505)	29,026
30 June 2024	49,404	(6,434)	(18,022)	24,948

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

	Six months ended 30 June	
	2024	2023
Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at FVTOCI	2,034	1,426
Less: Income tax effect	(520)	(481)
	1,514	945
(ii) Other comprehensive income recognised under the equity method	49	(18)
(iii) Other	26	7
Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at FVTOCI	35,463	14,812
Less: Amount transferred to profit or loss from other comprehensive income	(1,941)	109
Less: Income tax effect	(8,614)	(3,504)
	24,908	11,417
(ii) Credit losses of debt instruments measured at FVTOCI	1,722	601
Less: Income tax effect	(401)	(179)
	1,321	422
(iii) Cash flow hedging reserve:		
Loss during the period	(459)	(209)
Less: Income tax effect	(57)	29
	(516)	(180)
(iv) Other comprehensive income recognised under the equity method	(426)	(46)
(v) Foreign currency translation reserve	9,332	9,412
(vi) Other	(7,459)	(3,860)
	28,749	18,099

35. CASH AND CASH EQUIVALENTS

	30 June 2024	30 June 2023
Cash on hand	64,790	61,998
Balances with central banks other than restricted deposits	626,190	600,281
Deposits with banks and other financial institutions with original maturity of three months or less	418,552	363,782
Placements with banks and other financial institutions with original maturity of three months or less	270,693	369,647
Reverse repurchase agreements with original maturity of three months or less	801,923	1,641,166
	2,182,148	3,036,874

36. INTERESTS IN STRUCTURED ENTITIES

(a) Structured entities sponsored by third party institutions in which the Group holds an interest

The Group holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include investment funds, asset management plans and asset-backed securities, and trust plans and the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issuance of investment products to investors.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	30 June 2024		31 December 2023	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Investment funds	35,704	35,704	38,421	38,421
Asset management plans and asset-backed securities	82,119	82,119	85,277	85,277
Trust plans	32,315	32,315	35,859	35,859
	150,138	150,138	159,557	159,557

The maximum loss exposures in the above investment funds, asset management plans and asset-backed securities, and trust plans are the carrying amounts which are measured at amortised cost, or the fair value of the investments held by the Group as at the reporting date.

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets were recognised relating to the Group's interests in structured entities sponsored by third party institutions:

	30 June 2024		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	35,628	76	–
Asset management plans and asset-backed securities	30,838	27,682	23,599
Trust plans	12,869	17,920	1,526
	79,335	45,678	25,125

	31 December 2023		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	38,421	–	–
Asset management plans and asset-backed securities	30,606	26,829	27,842
Trust plans	15,511	19,576	772
	84,538	46,405	28,614

(b) Structured entities sponsored by the Group in which the Group does not consolidate but holds an interest

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products and investment funds. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors. Interest held by the Group includes investments in the products issued by these unconsolidated structured entities and fees charged for providing management services. As at 30 June 2024 and 31 December 2023, the carrying amounts of the investments in the products issued by these structured entities and fee receivables being recognised were not significant in the consolidated financial statements. Management fee income earned by the Group was included in fee and commission income of personal wealth management and private banking services and corporate wealth management services set out in Note 4.

As at 30 June 2024, the balance of the unconsolidated non-principal-guaranteed wealth management products and investment funds, which are sponsored by the Group, were RMB1,954,518 million (31 December 2023: RMB1,857,056 million) and RMB1,938,811 million (31 December 2023: RMB1,756,215 million) respectively.

For the six months ended 30 June 2024, there were no financing transactions through placements and reverse repurchase agreements from the Group with non-principal-guaranteed wealth management products sponsored by the Group (six months ended 30 June 2023: RMB779 million). The transactions were conducted in the ordinary course of business under normal terms and conditions and at market rates.

(c) Consolidated structured entities

The consolidated structured entities of the Group are primarily the principal-guaranteed wealth management products, certain investment funds, asset-backed securities, asset management plans and special purpose vehicle issued or initiated and invested by the Group or purchased due to regulatory requirements related to wealth management business. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's variable returns.

37. TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the ordinary course of business by which it transfers recognised financial assets to third parties or special purpose entities. In some cases, these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets in the statement of financial position.

Repurchase transactions and securities lending transactions

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and debt securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or repledge those securities in the absence of default by the Group but has an obligation to return the securities at the maturity of the contract. For securities lent out, if the securities increase or decrease in value, the Group may in certain circumstances require additional cash collateral from counterparties or return part of the cash collateral to counterparties. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

Securitisation transactions

The Group transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may acquire some asset-backed securities at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the Group recognises the assets on the consolidated statement of financial position to the extent of the Group's continuing involvement and the rest is derecognised. The extent of the Group's continuing involvement is the extent of the risks and rewards undertaken by the Group with value changes of the transferred financial assets. As at 30 June 2024, loans with an original carrying amount of RMB627,857 million at the time of transfer (31 December 2023: RMB627,857 million) have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets. The carrying amount of assets that the Group continues to recognise on the consolidated statement of financial position was RMB40,384 million as at 30 June 2024 (31 December 2023: RMB73,786 million).

As at 30 June 2024, the carrying amount of asset-backed securities held by the Group in securitisation transactions that were qualified for derecognition was RMB397 million (31 December 2023: RMB791 million), and its maximum exposure approximated to the carrying amount.

With respect to the securitisation of financial assets that do not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration received is recorded as a financial liability. As at 30 June 2024, transferred credit assets that were not qualified for derecognition of the Group amounted to RMB132 million at the time of transfer (31 December 2023: RMB132 million).

38. ASSETS PLEDGED AS SECURITY

The Group's collaterals for liabilities or contingent liabilities include financial assets such as securities and bills, which mainly serve as collaterals for repurchase agreements, securities borrowing, derivatives, or local statutory requirements. As at 30 June 2024, the par value of the financial assets of the Group pledged as collateral amounted to approximately RMB2,400,067 million (31 December 2023: approximately RMB1,474,996 million).

39. SHARE APPRECIATION RIGHTS PLAN

The Bank's share appreciation rights plan was approved in 2006, which allows share appreciation rights to be granted to eligible participants including directors, supervisors, senior management and other key personnel designated by the board of directors. The share appreciation rights will be granted and exercised based on the price of the Bank's H shares and will be valid for 10 years. As at the approval date of these financial statements, no share appreciation rights have been granted.

40. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

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

	30 June 2024	31 December 2023
Contracted but not provided for	17,855	26,804

(b) Credit commitments

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

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

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

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

	30 June 2024	31 December 2023
Bank acceptances	858,593	804,061
Guarantees issued		
– Financing letters of guarantees	25,798	32,048
– Non-financing letters of guarantees	602,489	540,709
Sight letters of credit	54,016	53,099
Usance letters of credit	154,779	148,803
Loan commitments		
– With an original maturity of under one year	135,981	34,841
– With an original maturity of one year or over	327,486	443,749
Undrawn credit card limits	1,161,709	1,126,870
	3,320,851	3,184,180
Credit risk-weighted assets of credit commitments	1,160,944	1,158,895

(c) Operating leases

The Group acts as a lessor principally through operating leases undertaken by its subsidiary ICBC Leasing. Under irrevocable operating lease contracts, the expected undiscounted minimum lease payments receivable by the Group in the future period amounted to:

	30 June 2024	31 December 2023
Within one year	18,831	18,228
Over one year but within two years	16,221	16,037
Over two years but within three years	14,524	14,878
Over three years but within five years	23,932	23,914
Over five years	49,659	51,414
	123,167	124,471

(d) Legal proceedings and arbitrations

The Group is involved in lawsuits and arbitrations during its normal course of operations. As at 30 June 2024, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB7,355 million (31 December 2023: RMB6,659 million).

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

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

As an underwriting agent of the MOF, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Bank is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. The MOF will not provide funding for the early redemption of these PRC government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity. The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 30 June 2024 were RMB56,530 million (31 December 2023: RMB57,256 million). Management expects that the redemption obligations of these PRC government bonds by the Bank prior to maturity will not be material.

As at 30 June 2024, the Group has not had any outstanding securities underwriting commitments (31 December 2023: Nil).

(f) Designated funds and loans

	30 June 2024	31 December 2023
Designated funds	4,171,737	3,857,252
Designated loans	4,171,531	3,857,046

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

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

(g) Fiduciary activities

The Group provides custody, trust and asset management services to third parties. Revenue from such activities is included in "net fee and commission income" set out in Note 4. Those assets held in a fiduciary capacity are not included in the Group's consolidated statement of financial position.

41. RELATED PARTY DISCLOSURES

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the reporting period:

(a) The MOF

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 30 June 2024, the MOF directly owned approximately 31.14% (31 December 2023: approximately 31.14%) of the issued share capital of the Bank. The Group entered into banking transactions with the MOF in its ordinary course of business. Details of the major transactions are as follows:

	30 June 2024	31 December 2023
Balances at end of the period/year:		
The PRC government bonds and the special government bond	2,968,169	2,365,572
	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on the government bonds	30,702	26,333

Other related party transactions between the Group and enterprises under the control or joint control of the MOF are disclosed in Note 41(i) "Transactions with state-owned entities in the PRC".

(b) Central Huijin Investment Ltd.

Central Huijin Investment Ltd. ("Huijin") is a wholly-owned subsidiary of China Investment Corporation, and in accordance with the authorisation of the State Government, Huijin 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 Government in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other businesses or commercial activities nor intervene in the day-to-day business operations of the financial enterprises in which it invests. Huijin was established on 16 December 2003 with a total registered and paid-in capital of RMB828,209 million. As at 30 June 2024, Huijin directly owned approximately 34.79% (31 December 2023: approximately 34.79%) of the issued share capital of the Bank.

As at 30 June 2024, bonds issued by Huijin ("the Huijin Bonds") held by the Group were of an aggregate face value of RMB43,823 million (31 December 2023: RMB40,427 million), with terms ranging from one to thirty years and coupon rates ranging from 2.08% to 4.20%. The Huijin Bonds are government-backed bonds, short-term bills and medium-term notes. The Group's subscription of the Huijin Bonds was conducted in the ordinary course of business, in compliance with relevant regulatory and the corporate governance requirements of the Group.

Notes to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

The Group entered into banking transactions with Huijin in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Debt securities purchased	43,824	41,036
Loans and advances to customers	96,672	12,009
Due to customers	21,864	19,374

	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on debt securities purchased	590	748
Interest income on loans and advances to customers	1,163	282
Interest expense on amounts due to customers	102	55

Huijin holds equity interests in certain other banks and financial institutions under the direction of the State Government. The Group entered into transactions with these banks and financial institutions in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Management considers that these banks and financial institutions are competitors of the Group. Details of major transactions conducted with these banks and financial institutions are as follows:

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Debt securities purchased	881,461	821,752
Due from banks and other financial institutions	228,101	212,218
Reverse repurchase agreements	44,407	79,687
Loans and advances to customers	2,980	3,240
Derivative financial assets	4,445	8,058
Due to banks and other financial institutions	331,983	336,930
Repurchase agreements	12,249	3,400
Derivative financial liabilities	19,144	7,582
Due to customers	14,025	10,420
Credit commitments	5,656	7,026

	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on debt securities purchased	11,324	10,436
Interest income on amounts due from banks and other financial institutions	1,440	835
Interest income on reverse repurchase agreements	10	8
Interest income on loans and advances to customers	39	11
Interest expense on amounts due to banks and other financial institutions	1,916	1,417
Interest expense on repurchase agreements	3	2
Interest expense on amounts due to customers	135	5

(c) National Council for Social Security Fund of the People's Republic of China

National Council for Social Security Fund (the "SSF") is a public institution managed by the MOF. It is the management and operating organisation of the national social security fund. As at 30 June 2024, the SSF held approximately 5.36% (31 December 2023: approximately 5.38%) of the Bank's issued share capital. The Group entered into banking transactions with the SSF in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Due to customers	87,400	64,000
	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest expense on amounts due to customers	1,205	1,068

(d) Subsidiaries

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Financial investments	39,922	41,126
Due from banks and other financial institutions	335,475	330,455
Reverse repurchase agreements	10,833	12,002
Loans and advances to customers	90,597	108,761
Derivative financial assets	4,714	4,003
Due to banks and other financial institutions	195,275	171,189
Repurchase agreements	4,032	1,904
Derivative financial liabilities	8,285	6,827
Credit commitments	43,277	42,500
	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on financial investments	1,010	935
Interest income on amounts due from banks and other financial institutions	1,058	1,492
Interest income on reverse repurchase agreements	9	8
Interest income on loans and advances to customers	1,389	869
Interest expense on amounts due to banks and other financial institutions	2,360	1,987
Interest expense on repurchase agreements	10	72
Fee and commission income	3,115	2,245

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements.

(e) Associates and affiliates

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Debt securities purchased	44,841	11,279
Due from banks and other financial institutions	18,605	6,066
Reverse repurchase agreements	1,817	3,264
Loans and advances to customers	6,966	4,278
Derivative financial assets	2,024	2,436
Due to banks and other financial institutions	3,533	4,120
Due to customers	1,216	1,089
Derivative financial liabilities	2,369	2,271
Credit commitments	3,753	4,293
	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on debt securities purchased	133	132
Interest income on amounts due from banks and other financial institutions	22	21
Interest income on reverse repurchase agreements	0	1
Interest income on loans and advances to customers	96	82
Interest expense on amounts due to banks and other financial institutions	102	70
Interest expense on amounts due to customers	38	19

Transactions between the Group and the aforementioned parties were conducted under normal commercial terms and conditions and priced based on market rates.

(f) Joint ventures and affiliates

	30 June 2024	31 December 2023
Balances at end of the period/year:		
Loans and advances to customers	249	249
Due to banks and other financial institutions	210	608
Due to customers	77	32
	Six months ended 30 June	
	2024	2023
Transactions during the period:		
Interest income on loans and advances to customers	2	15
Interest expense on amounts due to banks and other financial institutions	2	–
Interest expense on amounts due to customers	0	0

Transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

(g) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the board of directors and the board of supervisors, and executive officers.

The aggregate compensation of key management personnel is as follows:

	Six months ended 30 June	
	2024	2023
	In RMB'000	In RMB'000
Salaries and benefits	6,042	5,666

Related parties of the Group include key management personnel of the Group and their close relatives, as well as companies controlled, jointly controlled or significantly influenced by key management personnel or their close relatives.

For the six months ended 30 June 2024, there were no material transactions and balances with key management personnel individually or in the aggregate (six months ended 30 June 2023: Immaterial). The Group entered into banking transactions with key management personnel in the ordinary course of business.

The aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of Shanghai Stock Exchange was RMB0.29 million as at 30 June 2024 (31 December 2023: RMB0.21 million).

The Bank's aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of the NFRA was RMB78.61 million as at 30 June 2024 (31 December 2023: RMB64.24 million).

The transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

(h) Annuity fund

Apart from the obligations for defined contributions to the annuity fund established by the Group and the Bank, annuity fund held A shares of the Bank with market value of RMB27.59 million as at 30 June 2024 (31 December 2023: RMB38.14 million), and bonds issued by the Bank of RMB274.69 million as at 30 June 2024 (31 December 2023: RMB292.72 million).

(i) Transactions with state-owned entities in the PRC

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the Government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). During the reporting period, the Group entered into extensive banking transactions with these state-owned entities including, but not limited to, lending and deposit taking, taking and placing of interbank balances, entrusted lending and the provision of intermediary services, the sale, purchase, underwriting and redemption of bonds issued by other state-owned entities, and the sale, purchase, and leasing of properties and other assets.

The transactions with state-owned entities are activities conducted in the ordinary course of business under normal terms and conditions and priced based on market rates, and the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the Government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

(j) Proportion of major related party transactions

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements. When calculating the proportion of related party transactions, transactions with the subsidiaries are excluded.

	30 June 2024		31 December 2023	
	Balance	Percentage	Balance	Percentage
Financial investments	3,938,295	30.32%	3,239,639	27.34%
Due from banks and other financial institutions	246,706	19.56%	218,284	19.55%
Reverse repurchase agreements	46,224	5.08%	82,951	6.78%
Loans and advances to customers	106,867	0.39%	19,776	0.08%
Derivative financial assets	6,469	4.30%	10,494	13.93%
Due to banks and other financial institutions	335,726	8.16%	341,658	10.14%
Repurchase agreements	12,249	0.74%	3,400	0.33%
Derivative financial liabilities	21,513	17.44%	9,853	12.92%
Due to customers	124,582	0.37%	94,915	0.28%
Credit commitments	9,409	0.28%	11,319	0.36%

	Six months ended 30 June			
	2024		2023	
	Amount	Percentage	Amount	Percentage
Interest income	45,521	6.31%	38,904	5.58%
Interest expense	3,503	0.86%	2,636	0.73%

42. SEGMENT INFORMATION

(a) Operating segments

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

Corporate banking

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

Personal banking

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

Treasury operations

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

Other

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

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

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

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

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	Six months ended 30 June 2024				Total
	Corporate banking	Personal banking	Treasury operations	Other	
External net interest income	164,619	14,155	135,176	–	313,950
Internal net interest (expense)/income	(24,253)	124,492	(100,239)	–	–
Net fee and commission income	43,380	23,412	613	–	67,405
Other income, net (i)	3,593	392	14,199	2,460	20,644
Operating income	187,339	162,451	49,749	2,460	401,999
Operating expenses	(42,728)	(53,025)	(7,156)	(2,299)	(105,208)
Impairment losses on assets (ii)	(51,991)	(45,906)	(4,519)	347	(102,069)
Operating profit	92,620	63,520	38,074	508	194,722
Share of results of associates and joint ventures	–	–	–	2,462	2,462
Profit before taxation	92,620	63,520	38,074	2,970	197,184
Income tax expense					(25,888)
Profit for the period					171,296
Other segment information:					
Depreciation and amortization expenses	5,157	6,484	1,363	53	13,057
Capital expenditure	6,618	8,689	1,759	69	17,135

	30 June 2024				Total
	Corporate banking	Personal banking	Treasury operations	Other	
Segment assets	18,856,128	9,044,085	18,971,818	146,567	47,018,598
Including: Investments in associates and joint ventures	–	–	–	65,568	65,568
Property and equipment	103,134	143,616	27,714	23,312	297,776
Other non-current assets (iii)	39,689	20,358	5,473	9,344	74,864
Unallocated assets					97,938
Total assets					47,116,536
Segment liabilities	16,696,259	18,390,594	7,879,816	254,957	43,221,626
Unallocated liabilities					30,409
Total liabilities					43,252,035
Other segment information:					
Credit commitments	2,159,142	1,161,709	–	–	3,320,851

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

(ii) Includes credit impairment losses and impairment losses on other assets.

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

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	Six months ended 30 June 2023				
	Corporate banking	Personal banking	Treasury operations	Other	Total
External net interest income	154,317	39,603	143,067	–	336,987
Internal net interest (expense)/income	(475)	102,153	(101,678)	–	–
Net fee and commission income	45,257	27,732	476	–	73,465
Other income/(expense), net (i)	2,666	(544)	13,599	2,733	18,454
Operating income	201,765	168,944	55,464	2,733	428,906
Operating expenses	(42,803)	(53,412)	(7,315)	(1,849)	(105,379)
Impairment losses on assets (ii)	(98,002)	(11,783)	(12,978)	508	(122,255)
Operating profit	60,960	103,749	35,171	1,392	201,272
Share of results of associates and joint ventures	–	–	–	2,383	2,383
Profit before taxation	60,960	103,749	35,171	3,775	203,655
Income tax expense					(28,935)
Profit for the period					174,720
Other segment information:					
Depreciation and amortization expenses	5,343	6,688	1,411	53	13,495
Capital expenditure	8,204	10,640	2,157	84	21,085

	31 December 2023				
	Corporate banking	Personal banking	Treasury operations	Other	Total
Segment assets	17,203,589	8,983,095	18,228,557	177,169	44,592,410
Including: Investments in associates and joint ventures	–	–	–	64,778	64,778
Property and equipment	108,123	137,558	27,917	25,280	298,878
Other non-current assets (iii)	42,654	19,802	5,487	8,549	76,492
Unallocated assets					104,669
Total assets					44,697,079
Segment liabilities	16,989,789	17,454,497	6,226,481	182,472	40,853,239
Unallocated liabilities					67,252
Total liabilities					40,920,491
Other segment information:					
Credit commitments	2,058,377	1,125,803	–	–	3,184,180

- (i) Includes net trading income, net gains on financial investments and other net operating income and expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

(b) Geographical information

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

Chinese mainland (Head Office and domestic branches)

Head Office (“HO”):	the HO business divisions (including institutions directly managed by the HO and its offices);
Yangtze River Delta:	including Shanghai, Jiangsu, Zhejiang and Ningbo;
Pearl River Delta:	including Guangdong, Shenzhen, Fujian and Xiamen;
Bohai Rim:	including Beijing, Tianjin, Hebei, Shandong and Qingdao;
Central China:	including Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan;
Western China:	including Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Tibet; and
Northeastern China:	including Liaoning, Heilongjiang, Jilin and Dalian.

Overseas and other

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

	Six months ended 30 June 2024									
	Chinese mainland (HO and domestic branches)							Overseas and other	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income/(expense)	155,819	29,047	28,447	(10,400)	34,911	46,960	1,314	27,852	-	313,950
Internal net interest (expense)/income	(173,503)	34,111	18,020	83,746	16,833	11,371	11,997	(2,575)	-	-
Net fee and commission income	14,186	14,076	7,924	10,866	6,675	6,147	1,505	6,971	(945)	67,405
Other income/(expense), net (i)	13,346	(84)	(491)	(420)	(273)	(521)	(124)	8,282	929	20,644
Operating income	9,848	77,150	53,900	83,792	58,146	63,957	14,692	40,530	(16)	401,999
Operating expenses	(13,013)	(15,719)	(11,139)	(17,390)	(14,862)	(15,705)	(5,225)	(12,171)	16	(105,208)
Impairment losses on assets (ii)	(20,373)	(13,323)	(21,283)	(9,193)	(16,760)	(15,771)	(2,870)	(2,496)	-	(102,069)
Operating (loss)/profit	(23,538)	48,108	21,478	57,209	26,524	32,481	6,597	25,863	-	194,722
Share of results of associates and joint ventures	-	-	-	-	-	-	-	2,462	-	2,462
(Loss)/profit before taxation	(23,538)	48,108	21,478	57,209	26,524	32,481	6,597	28,325	-	197,184
Income tax expense										(25,888)
Profit for the period										171,296
Other segment information:										
Depreciation and amortization expenses	2,091	2,050	1,399	1,929	1,784	2,037	740	1,027	-	13,057
Capital expenditure	1,105	1,255	907	1,056	986	918	308	10,600	-	17,135

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	30 June 2024									
	Chinese mainland (HO and domestic branches)									Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and other	Eliminations	
Assets by geographical areas	7,675,863	11,780,941	7,670,444	7,043,937	5,228,830	6,155,462	1,781,243	4,451,593	(4,769,715)	47,018,598
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	65,568	-	65,568
Property and equipment	10,587	30,687	13,139	18,589	17,407	20,569	7,646	179,152	-	297,776
Other non-current assets (iii)	17,812	6,855	5,814	6,674	8,260	9,718	2,161	17,667	(97)	74,864
Unallocated assets										97,938
Total assets										47,116,536
Liabilities by geographical areas	4,452,533	10,621,718	6,475,912	11,211,736	5,260,769	5,574,337	2,218,824	2,175,512	(4,769,715)	43,221,626
Unallocated liabilities										30,409
Total liabilities										43,252,035
Other segment information:										
Credit commitments	1,170,121	1,786,797	1,111,446	1,339,570	807,724	839,761	180,387	780,265	(4,695,220)	3,320,851

- (i) Includes net trading income, net gains on financial investments and other net operating expenses.
(ii) Includes credit impairment losses and impairment losses on other assets.
(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

	Six months ended 30 June 2023									
	Chinese mainland (HO and domestic branches)									Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and other	Eliminations	
External net interest income	158,462	31,984	34,022	199	36,913	49,974	3,113	22,320	-	336,987
Internal net interest (expense)/income	(161,197)	34,657	17,335	70,833	17,598	11,871	11,177	(2,274)	-	-
Net fee and commission income	16,401	14,268	9,056	11,464	7,753	7,349	1,733	6,547	(1,106)	73,465
Other income/(expense), net (i)	8,485	(615)	(691)	(501)	(435)	(422)	179	11,352	1,102	18,454
Operating income	22,151	80,294	59,722	81,995	61,829	68,772	16,202	37,945	(4)	428,906
Operating expenses	(14,753)	(15,607)	(11,323)	(16,456)	(15,059)	(15,430)	(5,045)	(11,710)	4	(105,379)
Impairment losses on assets (ii)	(27,340)	(18,478)	(21,632)	(19,599)	(13,625)	(15,605)	(3,114)	(2,862)	-	(122,255)
Operating (loss)/profit	(19,942)	46,209	26,767	45,940	33,145	37,737	8,043	23,373	-	201,272
Share of results of associates and joint ventures	-	-	-	-	-	-	-	2,383	-	2,383
(Loss)/profit before taxation	(19,942)	46,209	26,767	45,940	33,145	37,737	8,043	25,756	-	203,655
Income tax expense										(28,935)
Profit for the period										174,720
Other segment information:										
Depreciation and amortization expenses	2,351	2,019	1,385	1,947	1,769	2,062	755	1,207	-	13,495
Capital expenditure	696	585	763	1,275	1,001	892	244	15,629	-	21,085

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	31 December 2023									
	Chinese mainland (HO and domestic branches)									
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and other	Eliminations	Total
Assets by geographical areas	8,502,997	10,215,437	6,993,931	6,680,826	4,946,259	5,743,425	1,597,213	4,255,879	(4,343,557)	44,592,410
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	64,778	-	64,778
Property and equipment	11,663	31,346	13,544	19,297	18,074	21,517	7,996	175,441	-	298,878
Other non-current assets (iii)	17,001	7,087	6,253	6,837	8,392	9,998	2,338	18,756	(170)	76,492
Unallocated assets										104,669
Total assets										44,697,079
Liabilities by geographical areas	5,554,090	9,781,890	6,342,124	10,346,856	4,965,877	5,207,532	1,986,209	1,012,218	(4,343,557)	40,853,239
Unallocated liabilities										67,252
Total liabilities										40,920,491
Other segment information:										
Credit commitments	1,140,709	1,742,306	1,132,348	1,305,493	735,849	878,791	170,587	788,274	(4,710,177)	3,184,180

- (i) Includes net trading income, net gains on financial investments and other net operating income and expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

43. FINANCIAL RISK MANAGEMENT

The board of directors (the "Board") has the ultimate responsibility for risk management and oversees the Group's risk management system through the Risk Management Committee and the Audit Committee of the Board.

The President supervises risk management and reports directly to the Board. He chairs two management committees including the Risk Management Committee and the Asset and Liability Management Committee, which set the risk management strategies and appetite, evaluate and formulate risk management policies and procedures, and make recommendations through the President to the Risk Management Committee of the Board. The Chief Risk Officer assists the President to supervise the Bank's risk management and make decisions.

The Group has clearly defined the roles of each department in monitoring financial risks within the Group. The Credit Management Department monitors credit risk, the Risk Management Department together with the Asset and Liability Management Department monitor market and liquidity risks, and the Internal Control and Compliance Department monitors operational risk. The Risk Management Department is primarily responsible for establishing and coordinating a comprehensive risk management framework, preparing consolidated reports on credit risk, market risk and operational risk and reporting directly to the Chief Risk Officer.

The Bank maintains a dual-reporting risk management structure at the branch level. Under this structure, the risk management department of the branches report to both the Group risk management department and the management of the branches.

(a) Credit risk

Definition and scope

Credit risk is the risk of loss arising from a borrower or counterparty's failure to perform its obligations. Operational failures which result in unauthorised or inappropriate guarantees, financial commitments or investments by the Group may also give rise to credit risk. The Group's credit risk is mainly attributable to its credit assets, due from banks and other financial institutions and financial investments.

The Group is also exposed to credit risk in other areas. The credit risk arising from derivative financial instruments is limited to derivative financial assets recorded in the consolidated statement of financial position. In addition, the Group provides guarantees for customers and may therefore be required to make payments on their behalf. These payments would be recovered from customers in accordance with the terms of the agreement. Therefore, the Group assumes a credit risk similar to that arising from loans and applies the same risk control procedures and policies to reduce risks.

Credit risk assessment method

Staging of financial instruments

The Group classifies financial instruments into following three stages and makes provisions for expected credit loss accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been credit-impaired.

Stage 1: For a financial instrument of which the credit risk has not significantly increased since initial recognition, the amount equal to 12-month expected credit losses is recognised as loss allowance.

Stage 2: For a financial instrument with a significant increase in credit risk since initial recognition but not considered to be credit-impaired, the amount equal to lifetime expected credit losses is recognised as loss allowance.

Stage 3: For a financial instrument considered to be credit-impaired as at end of the reporting period, the amount equal to lifetime expected credit losses is recognised as loss allowance.

Classification of credit risk exposures

The Group classifies credit risk exposures of expected credit losses with sufficient information by considering factors such as internal ratings-based ("IRB") segmentation, product types, customer types, industry risk characteristics, and response to macro-economic changes.

Significant increase in credit risk

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of staging of financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms, and repayment behaviour and willingness. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments. In determining whether credit risk of a financial instrument has increased significantly since initial recognition, the Group considers factors indicating whether the probability of default has risen above threshold, the background for financing have been authenticated, the financial instrument has been past due for more than 30 days, the loan has been modified in payment term of principal or interest, any significant negative issue has been arisen and any other indicators of increase in risk have been noticed.

Notes to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

The Group has further facilitated the deferral in principal repayment and interest payment credit arrangements for the inclusive loans to micro and small-sized businesses in accordance with the government's regulations. The Group classifies the credit risk based on the actual situation of the borrower and the judgement of the substantive risk of the business for those loans with deferred principal repayment and interest payment. However, the temporary deferral in principal repayment and interest payment is not considered as an automatic trigger event for a significant increase in credit risk.

Definition of default

The Group defines a corporate borrower as in default when it meets one or more of the following criteria:

- (i) The principal or interest of any credit business is past due more than 90 days (not inclusive) to the Group;
- (ii) The corporate borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral; or
- (iii) The corporate borrower has the matters refer to in (i) or (ii) above in other financial institutions.

The Group defines a retail business borrower as in default when any single credit asset of a borrower meets one or more of the following criteria:

- (i) The principal or interest of loan is past due more than 90 days (not inclusive);
- (ii) Write-offs of loan; or
- (iii) The retail business borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral.

Impairment assessment

A financial asset is generally considered to be credit-impaired if:

- it has been overdue for more than 90 days (not inclusive);
- in light of economic, legal or other factors, the Group has made concessions to a borrower in financial difficulties, which would otherwise have been impossible under normal circumstances;
- it is probable that the borrower will be insolvent or carry out other financial restructurings;
- due to serious financial difficulties, the financial asset cannot continue to be traded in an active market; and
- there are other objective evidences that indicate the financial asset is impaired.

Parameters, assumptions and estimation techniques

Loss allowance for a financial instrument is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk on that financial instrument has occurred since initial recognition and whether an asset is considered to be credit-impaired. ECL for loans and advances to customers, other than those corporate loans and advance to customers which are credit-impaired, is measured using the risk parametric modelling method. The key parameters include Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"), considering the time value of money.

PD is the possibility that a customer will default on its obligation within a certain period of time in light of forward-looking information. The Group's PD is adjusted based on the results of the IRB approach under the New Basel Capital Accord, taking the forward-looking information into account and deducting the prudential adjustment to reflect the debtor's point-in-time PD under the current macro-economic environment.

LGD is the magnitude of the likely loss if there is a default in light of forward-looking information. LGD depends on the type of counterparty, the method and priority of the recourse, and the type of collateral, taking the forward-looking adjustments into account.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on the historical repayment records.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are monitored and reviewed on a quarterly basis by the Group.

There have been no significant changes in estimation techniques or significant assumptions adopted in ECL calculation during the period.

The calculation of impairment loss on credit-impaired corporate loans and advance to customers applies the discounted cash flow method. If there is objective evidence that an impairment loss on a loan or advance has incurred, the amount of the loss 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. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in the consolidated statement of profit or loss. In determining allowances, the following factors are considered:

- the sustainability of the borrower's business plan;
- the borrower's ability to improve performance when a financial difficulty arises;
- the estimated recoverable cash flows from projects and liquidation;
- the availability of other financial support and the realisable value of collateral; and
- the timing of the expected cash flows.

It may not be possible to identify a single or discrete events that result in the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of each reporting period unless there are other unforeseen circumstances.

Forward-looking information contained in ECL

The assessment of significant increase in credit risk and the calculation of ECL incorporate forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product ("GDP"), Consumer Price Index ("CPI"), Broad Money Supply ("M2"), Consumer Confidence Index and other macro-economic indicators as impacting the ECL for each portfolio. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD. The impact of these economic variables on the PD and LGD varies according to different types of business. Forecasts of these economic variables are carried out at least quarterly by the Group to provide the best estimate view of the economy over the next year.

When calculating the weighted average ECL provision, the Group determines the optimistic, neutral and pessimistic scenarios and their weightings through a combination of macro-statistical analysis and expert judgement. The optimistic and pessimistic scenarios are of comparable weightings, of which, the weighting of neutral scenario is slightly higher than that of the other two scenarios. The weightings of the scenarios are consistent with those as at 31 December 2023.

As at 30 June 2024, the Group has taken into account different macro-economic scenarios, combined with the impact of factors such as effect of prior period base data on economic development trends, and made forward-looking forecasts of macro-economic indicators. Of which, the year-on-year GDP growth rate used to estimate ECL under each scenario is as follows: 5.0% under neutral scenario, 6.4% under optimistic scenario, and 4.1% under pessimistic scenario.

Financial assets contract modification

The Group might modify the terms of loan with a customer based on commercial renegotiations, or when the customer is in financial difficulty, with a view to maximising the recovery of loan.

Such modifications include restructuring the loan to provide extended payment term arrangements, payment holidays or payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue, and these policies and practices are reviewed regularly. Such restructures are especially common for medium-term and long-term loans.

The following table includes carrying amount of rescheduled loans and advance to customers:

	30 June 2024	31 December 2023
Rescheduled loans and advances to customers	118,579	82,723
Including: Impaired loans and advances to customers	38,532	15,607

Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills and marketable securities. As part of certain reverse repurchase agreements, the Group has received collateral that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans and discounted bills are mainly collateralised by properties or other assets. As at 30 June 2024, the gross carrying amount of corporate loans and discounted bills amounted to RMB19,003,007 million (31 December 2023: RMB17,432,861 million), of which credit exposure covered by collateral amounted to RMB4,373,091 million (31 December 2023: RMB5,344,849 million).

Personal loans are mainly collateralised by residential properties. As at 30 June 2024, the gross carrying amount of personal loans amounted to RMB8,834,543 million (31 December 2023: RMB8,653,621 million), of which credit exposure covered by collateral amounted to RMB6,858,360 million (31 December 2023: RMB7,719,465 million).

The Group prefers more liquid collateral with relatively stable market value and does not accept collateral that is illiquid, with difficulties in registration or high fluctuations in market value. The value of collateral should be appraised and confirmed by the Group or valuation agencies engaged by the Group. The value of collateral should adequately cover the outstanding balance of loans. The Group takes into consideration the types of collateral, state of condition, liquidity, price volatility and realisation cost to determine the loan-to-value ratio of collateral. All collateral has to be registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of collateral regularly.

The Group monitors the market value of the collateral and when needed, require additional collateral according to agreements. The Group disposes of repossessed assets in an orderly manner.

(i) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking into account any collateral and other credit enhancements is set out below:

	30 June 2024	31 December 2023
Balances with central banks	3,563,338	3,975,594
Due from banks and other financial institutions	1,261,401	1,116,717
Derivative financial assets	150,410	75,339
Reverse repurchase agreements	909,808	1,224,257
Loans and advances to customers	27,077,967	25,386,933
Financial investments		
Financial investments measured at FVTPL	672,802	578,595
Financial investments measured at FVTOCI	2,556,495	2,148,073
Financial investments measured at amortised cost	9,431,099	8,806,849
Other	113,473	107,719
	45,736,793	43,420,076
Credit commitments	3,320,851	3,184,180
Maximum credit risk exposure	49,057,644	46,604,256

(ii) Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location or have comparable economic features. In addition, different geographic areas and industrial sectors have their unique characteristics in terms of economic development and could present a different credit risk.

(1) Loans and advances to customers

By geographical distribution

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by geographical distribution is as follows:

	30 June 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Head Office	799,100	2.87%	754,746	2.89%
Yangtze River Delta	6,128,306	22.01%	5,616,187	21.53%
Pearl River Delta	4,273,693	15.35%	4,055,692	15.54%
Bohai Rim	4,606,344	16.55%	4,285,481	16.44%
Central China	4,360,241	15.66%	4,064,415	15.58%
Western China	5,082,589	18.26%	4,766,575	18.27%
Northeastern China	1,131,674	4.07%	1,082,666	4.15%
Overseas and other	1,455,603	5.23%	1,460,720	5.60%
Total	27,837,550	100.00%	26,086,482	100.00%

By industry

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by industry is as follows:

	30 June 2024	31 December 2023
Transportation, storage and postal services	4,000,481	3,782,387
Manufacturing	2,683,056	2,454,786
Leasing and commercial services	2,546,159	2,396,063
Water, environment and public utility management	1,924,879	1,742,614
Production and supply of electricity, heating, gas and water	1,763,063	1,690,911
Real estate	1,100,662	1,014,138
Wholesale and retail	847,035	757,022
Finance	821,476	635,529
Construction	540,698	462,957
Science, education, culture and sanitation	426,602	410,202
Mining	370,673	340,250
Other	490,883	458,345
Subtotal for corporate loans	17,515,667	16,145,204
Personal mortgage and business loans	7,737,132	7,635,604
Other	1,097,411	1,018,017
Subtotal for personal loans	8,834,543	8,653,621
Discounted bills	1,487,340	1,287,657
Total for loans and advances to customers	27,837,550	26,086,482

By collateral

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by collateral is as follows:

	30 June 2024	31 December 2023
Unsecured loans	10,909,294	9,947,491
Guaranteed loans	2,842,572	2,715,345
Loans secured by mortgages	10,731,100	10,444,304
Pledged loans	3,354,584	2,979,342
Total	27,837,550	26,086,482

Overdue loans

The composition of the Group's gross overdue loans (excluding accrued interest) by collateral is as follows:

	30 June 2024				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	31,052	32,350	37,380	10,025	110,807
Guaranteed loans	17,482	16,419	21,604	7,786	63,291
Loans secured by mortgages	71,764	54,514	47,761	16,077	190,116
Pledged loans	3,005	2,375	2,883	889	9,152
Total	123,303	105,658	109,628	34,777	373,366

	31 December 2023				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	31,987	33,514	29,897	7,368	102,766
Guaranteed loans	13,790	19,151	16,805	11,400	61,146
Loans secured by mortgages	58,876	48,272	37,285	14,429	158,862
Pledged loans	2,583	952	3,131	984	7,650
Total	107,236	101,889	87,118	34,181	330,424

(2) Debt securities investments

By issuers

The following tables present an analysis of the Group's debt securities investments (excluding accrued interest) by types of issuers and investments:

	30 June 2024			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	294,414	1,170,685	8,121,842	9,586,941
Policy banks	29,236	208,335	575,011	812,582
Banks and other financial institutions	222,508	594,849	544,833	1,362,190
Corporate entities	89,242	552,546	68,318	710,106
	635,400	2,526,415	9,310,004	12,471,819

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	31 December 2023			Total
	Financial	Financial	Financial	
	investments measured at FVTPL	investments measured at FVTOCI	investments measured at amortised cost	
Governments and central banks	187,365	1,076,400	7,495,472	8,759,237
Policy banks	34,375	184,168	593,403	811,946
Banks and other financial institutions	231,388	293,463	540,296	1,065,147
Corporate entities	87,041	566,522	67,834	721,397
	540,169	2,120,553	8,697,005	11,357,727

By rating

The Group adopts a credit rating approach to manage the credit risk of the debt securities portfolio held. The ratings are obtained from Bloomberg Composite, or major rating agencies in the countries where the issuers of debt securities are located. The carrying amounts of debt securities investments (excluding accrued interest) analysed by rating as at the end of the reporting period are as follows:

	30 June 2024					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	3,004,573	6,302,850	114,441	110,197	54,880	9,586,941
Policy banks	680,590	56,941	9,469	64,277	1,305	812,582
Banks and other financial institutions	683,845	372,896	38,635	186,774	80,040	1,362,190
Corporate entities	174,781	378,971	10,498	110,037	35,819	710,106
	4,543,789	7,111,658	173,043	471,285	172,044	12,471,819

	31 December 2023					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	2,461,141	6,139,412	63,270	52,824	42,590	8,759,237
Policy banks	732,015	55,943	8,934	11,754	3,300	811,946
Banks and other financial institutions	409,850	380,700	47,941	173,791	52,865	1,065,147
Corporate entities	159,202	391,268	5,943	121,625	43,359	721,397
	3,762,208	6,967,323	126,088	359,994	142,114	11,357,727

(iii) Three-stage analysis of financial instruments' risk exposure

The Group's credit risk stages of financial instruments are as follows:

	30 June 2024							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and balances with central banks	3,628,128	–	–	3,628,128	–	–	–	–
Due from banks and other financial institutions	1,267,215	–	157	1,267,372	(5,814)	–	(157)	(5,971)
Reverse repurchase agreements	826,763	–	–	826,763	(403)	–	–	(403)
Loans and advances to customers	25,352,675	664,977	375,314	26,392,966	(400,445)	(145,032)	(273,096)	(818,573)
Financial investments	9,465,611	2,191	3,141	9,470,943	(37,132)	(11)	(2,701)	(39,844)
Total	40,540,392	667,168	378,612	41,586,172	(443,794)	(145,043)	(275,954)	(864,791)
Financial assets measured at FVTOCI								
Loans and advances to customers	1,496,564	–	36	1,496,600	(1,284)	–	(29)	(1,313)
Financial investments	2,545,387	10,790	318	2,556,495	(5,118)	(1,446)	(3,805)	(10,369)
Total	4,041,951	10,790	354	4,053,095	(6,402)	(1,446)	(3,834)	(11,682)
	31 December 2023							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and balances with central banks	4,042,293	–	–	4,042,293	–	–	–	–
Due from banks and other financial institutions	1,120,116	–	161	1,120,277	(3,399)	–	(161)	(3,560)
Reverse repurchase agreements	1,183,840	–	–	1,183,840	(97)	–	–	(97)
Loans and advances to customers	23,773,666	714,114	353,465	24,841,245	(342,730)	(156,240)	(257,031)	(756,001)
Financial investments	8,840,215	2,214	3,139	8,845,568	(36,009)	(11)	(2,699)	(38,719)
Total	38,960,130	716,328	356,765	40,033,223	(382,235)	(156,251)	(259,891)	(798,377)
Financial assets measured at FVTOCI								
Loans and advances to customers	1,295,548	–	37	1,295,585	(361)	–	(29)	(390)
Financial investments	2,136,289	11,509	275	2,148,073	(4,835)	(964)	(3,769)	(9,568)
Total	3,431,837	11,509	312	3,443,658	(5,196)	(964)	(3,798)	(9,958)

As at 30 June 2024 and 31 December 2023, credit risk exposures of credit commitments were mainly classified in Stage 1.

(b) Liquidity risk

Liquidity risk is the risk that funds will not be sufficient or raised at a reasonable cost in a timely manner to meet the need of asset growth or repayment of debts due, although the Group remains solvent. This may arise from amount or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims at:

- optimising the structure of assets and liabilities;
- maintaining the stability of the deposit base;
- projecting cash flows and evaluating the level of current assets; and
- maintaining an efficient internal fund transfer mechanism to ensure sufficient liquidity at branch level.

(i) Maturity analysis of assets and liabilities

The tables below summarise the maturity profile of the Group's assets and liabilities. The actual remaining maturity of the Group's financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	30 June 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
Assets:								
Cash and balances with central banks	933,253	2,290	3,088	5,724	4,560	–	2,679,213	3,628,128
Due from banks and other financial institutions (i)	296,885	1,093,937	283,395	460,983	34,993	1,016	–	2,171,209
Derivative financial assets	–	14,073	24,497	96,703	9,779	5,358	–	150,410
Loans and advances to customers	42,930	1,230,574	1,245,218	5,759,054	5,199,483	13,460,208	140,500	27,077,967
Financial investments								
Financial investments measured at FVTPL	85,177	25,523	61,139	232,143	214,007	196,091	102,067	916,147
Financial investments measured at FVTOCI	–	130,325	250,187	527,764	902,542	745,602	85,256	2,641,676
Financial investments measured at amortised cost	–	241,701	218,960	1,046,680	3,646,266	4,276,877	615	9,431,099
Investments in associates and joint ventures	–	–	–	–	–	–	65,568	65,568
Property and equipment	–	–	–	–	–	–	297,776	297,776
Other	152,436	304,308	30,491	60,154	55,386	31,842	101,939	736,556
Total assets	1,510,681	3,042,731	2,116,975	8,189,205	10,067,016	18,716,994	3,472,934	47,116,536
Liabilities:								
Due to central banks	–	22,156	30,342	165,794	–	–	–	218,292
Due to banks and other financial institutions (ii)	3,091,950	572,444	321,340	1,556,527	213,082	5,760	–	5,761,103
Financial liabilities measured at FVTPL	62,664	212	403	3,346	4,737	494	–	71,856
Derivative financial liabilities	–	20,450	22,179	67,564	9,329	3,821	–	123,343
Certificates of deposit	–	61,903	123,995	195,665	28,393	–	–	409,956
Due to customers	13,544,128	1,822,203	2,298,769	7,506,881	8,923,994	11,341	–	34,107,316
Debt securities issued	–	49,447	45,830	649,866	245,203	598,392	–	1,588,738
Other	–	321,107	233,304	111,608	146,304	159,108	–	971,431
Total liabilities	16,698,742	2,869,922	3,076,162	10,257,251	9,571,042	778,916	–	43,252,035
Net liquidity gap	(15,188,061)	172,809	(959,187)	(2,068,046)	495,974	17,938,078	3,472,934	3,864,501

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
Assets:								
Cash and balances with central banks	1,192,880	4,640	3,980	2,908	5,086	–	2,832,799	4,042,293
Due from banks and other financial institutions (i)	337,094	1,458,823	178,151	327,184	39,718	4	–	2,340,974
Derivative financial assets	–	9,989	17,197	30,865	11,194	6,094	–	75,339
Loans and advances to customers	36,677	1,233,059	1,299,690	4,848,837	4,967,058	12,873,541	128,071	25,386,933
Financial investments								
Financial investments measured at FVTPL	81,529	9,082	22,165	235,722	156,408	201,903	105,148	811,957
Financial investments measured at FVTOCI	–	132,916	94,002	425,812	852,277	643,039	82,816	2,230,862
Financial investments measured at amortised cost	–	104,586	338,685	875,813	3,345,609	4,141,536	620	8,806,849
Investments in associates and joint ventures	–	–	–	–	–	–	64,778	64,778
Property and equipment	–	–	–	–	–	–	298,878	298,878
Other	115,927	222,172	40,247	50,709	61,395	45,949	101,817	638,216
Total assets	1,764,107	3,175,267	1,994,117	6,797,850	9,438,745	17,912,066	3,614,927	44,697,079
Liabilities:								
Due to central banks	–	6,549	66,676	158,149	–	–	–	231,374
Due to banks and other financial institutions (ii)	2,685,751	458,379	284,933	907,359	46,034	5,508	–	4,387,964
Financial liabilities measured at FVTPL	56,799	141	123	633	4,847	316	–	62,859
Derivative financial liabilities	–	17,999	20,057	22,859	10,909	4,427	–	76,251
Certificates of deposit	–	58,396	122,826	182,299	21,677	–	–	385,198
Due to customers	13,683,549	1,830,012	2,325,939	6,986,876	8,679,518	15,280	–	33,521,174
Debt securities issued	–	17,813	106,187	352,234	215,269	678,274	–	1,369,777
Other	–	268,158	132,389	149,244	161,415	174,688	–	885,894
Total liabilities	16,426,099	2,657,447	3,059,130	8,759,653	9,139,669	878,493	–	40,920,491
Net liquidity gap	(14,661,992)	517,820	(1,065,013)	(1,961,803)	299,076	17,033,573	3,614,927	3,776,588

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

(ii) Maturity analysis of undiscounted contractual cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the undiscounted contractual cash flows. The balances of some items in the tables below are different from the balances in the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's actual cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	30 June 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
Non-derivative cash flows:								
Financial assets:								
Cash and balances with central banks	933,253	2,519	3,245	5,768	4,753	–	2,679,213	3,628,751
Due from banks and other financial institutions (i)	296,885	1,096,022	286,732	472,629	37,752	1,040	–	2,191,060
Loans and advances to customers (ii)	54,691	1,358,469	1,492,803	6,803,010	9,092,160	22,346,635	616,196	41,763,964
Financial investments								
Financial investments measured at FVTPL	85,177	25,909	64,070	241,345	240,538	215,971	102,722	975,732
Financial investments measured at FVTOCI	–	133,730	261,329	570,398	1,037,670	921,593	86,395	3,011,115
Financial investments measured at amortised cost	–	260,925	266,947	1,240,696	4,390,379	5,217,531	3,131	11,379,609
Other	143,430	215,025	17,287	56,173	41,413	21,990	–	495,318
	1,513,436	3,092,599	2,392,413	9,390,019	14,844,665	28,724,760	3,487,657	63,445,549
Financial liabilities:								
Due to central banks	–	22,201	30,405	167,241	–	–	–	219,847
Due to banks and other financial institutions (iii)	3,091,950	575,246	325,698	1,587,052	221,395	6,229	–	5,807,570
Financial liabilities measured at FVTPL	62,664	266	430	4,271	5,658	558	–	73,847
Certificates of deposit	–	61,991	124,776	198,994	30,378	–	–	416,139
Due to customers	13,546,573	1,840,677	2,321,207	7,629,983	9,353,985	13,583	–	34,706,008
Debt securities issued	–	49,676	47,789	673,898	344,497	686,756	–	1,802,616
Other	–	315,035	31,165	19,448	44,000	21,734	–	431,382
	16,701,187	2,865,092	2,881,470	10,280,887	9,999,913	728,860	–	43,457,409
Derivative cash flows:								
Derivative financial instruments settled on net basis	–	391	(6,508)	(90,411)	2,574	(185)	–	(94,139)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	–	1,674,434	854,449	3,196,155	407,173	61,450	–	6,193,661
Cash outflow	–	(1,663,185)	(854,984)	(3,158,222)	(412,927)	(61,765)	–	(6,151,083)
	–	11,249	(535)	37,933	(5,754)	(315)	–	42,578

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
Non-derivative cash flows:								
Financial assets:								
Cash and balances with central banks	1,192,880	4,654	4,028	2,998	5,183	–	2,832,799	4,042,542
Due from banks and other financial institutions (i)	337,094	1,462,855	179,850	334,769	42,474	4	–	2,357,046
Loans and advances to customers (ii)	54,533	1,353,001	1,534,912	5,839,403	8,646,048	19,669,390	671,048	37,768,335
Financial investments								
Financial investments measured at FVTPL	81,529	9,384	24,206	246,219	185,042	226,856	105,763	878,999
Financial investments measured at FVTOCI	–	137,501	101,117	462,665	964,058	802,982	83,534	2,551,857
Financial investments measured at amortised cost	–	118,767	377,001	1,075,522	4,070,282	5,072,783	3,130	10,717,485
Other	105,707	195,642	20,713	46,739	45,605	51,849	–	466,255
	1,771,743	3,281,804	2,241,827	8,008,315	13,958,692	25,823,864	3,696,274	58,782,519
Financial liabilities:								
Due to central banks	–	6,565	66,840	159,718	–	–	–	233,123
Due to banks and other financial institutions (iii)	2,685,751	460,705	301,577	953,779	51,671	7,802	–	4,461,285
Financial liabilities measured at FVTPL	56,799	180	165	1,414	5,463	357	–	64,378
Certificates of deposit	–	58,475	123,722	186,117	22,905	–	–	391,219
Due to customers	13,685,047	1,831,542	2,335,694	7,090,386	9,148,344	18,184	–	34,109,197
Debt securities issued	–	18,200	107,968	376,141	330,196	780,131	–	1,612,636
Other	–	263,648	35,260	19,738	59,849	51,921	–	430,416
	16,427,597	2,639,315	2,971,226	8,787,293	9,618,428	858,395	–	41,302,254
Derivative cash flows:								
Derivative financial instruments settled on net basis	–	207	1,555	(11,256)	2,322	(67)	–	(7,239)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	–	1,229,409	583,502	1,758,108	367,431	57,583	–	3,996,033
Cash outflow	–	(1,212,090)	(589,874)	(1,772,475)	(370,714)	(57,826)	–	(4,002,979)
	–	17,319	(6,372)	(14,367)	(3,283)	(243)	–	(6,946)

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

(iii) Analysis of credit commitments by contractual expiry date

Management does not expect all of the commitments to be drawn down before the expiry of the commitments.

	30 June 2024						Total
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	
Credit commitments	1,294,668	158,229	452,898	690,428	506,984	217,644	3,320,851

	31 December 2023						Total
	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	
Credit commitments	1,270,414	145,907	359,067	690,830	510,386	207,576	3,184,180

(c) Market risk

Market risk is the risk of loss, in respect of the Group's on- and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses.

The Group is primarily exposed to structural interest rate risk arising from commercial banking and interest rate risk arising from treasury business positions. Interest rate risk is inherent in many of its businesses and largely arises from mismatches between the repricing dates of interest-generating assets and interest-bearing liabilities. The analysis of the interest rate risk in the banking book is disclosed in Note 43(d).

The Group's currency risk mainly results from the risk arising from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the foreign exchange exposures arising from currency structural imbalance between foreign currency assets and liabilities, and off-balance sheet foreign exchange exposures arising from currency derivative transactions.

The Group considers the market risk arising from stock price fluctuations in respect of its investment portfolios to be immaterial.

Sensitivity analysis, interest rate repricing gap analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Bank monitors market risk separately in respect of trading and other non-trading portfolios. The Value-at-risk (VaR) analysis is a major tool used by the Bank to measure and monitor the market risk of its trading portfolios. The following sections include a Value-at-risk (VaR) analysis by risk type of the Group's trading portfolios and a sensitivity analysis based on the Group's currency risk exposure and interest rate risk exposure (both trading and non-trading portfolios).

(i) VaR

VaR is a measure index which estimates the potential maximum losses that could occur on risk positions taken due to movements in interest rates, foreign exchange rates or prices over a specified time horizon and at a specified level of confidence. The Bank adopts a historical simulation method to calculate and monitor the VaRs of trading portfolios with 250 days' historical market data (with a 99% confidence level, and one-day holding period) on a daily basis.

A summary of VaRs of trading book by risk type is as follows:

	Six months ended 30 June 2024			
	End of period	Average	Maximum	Minimum
Interest rate risk	212	117	243	83
Currency risk	225	286	436	187
Commodity risk	17	17	40	11
Total portfolio VaR	296	301	357	246

	Six months ended 30 June 2023			
	End of period	Average	Maximum	Minimum
Interest rate risk	103	155	209	93
Currency risk	259	252	285	227
Commodity risk	40	34	42	26
Total portfolio VaR	321	338	396	274

VaR for each risk factor is the derived largest potential loss due to fluctuations solely in that risk factor. As there is a diversification effect due to the correlation amongst the risk factors, the individual VaRs do not add up to the total portfolio VaR.

Although VaR is an important tool for measuring market risk under normal market environment, the assumptions on which the model is based do give rise to some limitations, mainly including the following:

- (1) VaR does not reflect liquidity risk. In the VaR model, a one-day holding period assumes that it is possible to hedge or dispose of positions within that period without restriction, the price of the financial instruments will fluctuate in the specified range, and the correlation between these market prices will remain basically unchanged. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to hedge or dispose of all positions fully;
- (2) Even though positions may change throughout the day, VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level; and
- (3) VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, especially those of an exceptional nature due to significant market moves.

(ii) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD, and other currencies to a lesser extent. The exchange rate of RMB to USD is managed under a floating exchange rate system. The HKD exchange rate has been pegged to the USD and therefore the exchange rate of RMB to HKD has fluctuated in line with the changes in the exchange rate of RMB to USD. Transactions in foreign currencies mainly arise from the Group's foreign currency treasury operations, commissioned foreign exchange dealings for clients and overseas investments.

The Group manages its currency risk exposure through various methods, including limit management and risk hedging to hedge currency risk, and performs currency risk sensitivity analysis and stress testing regularly.

The tables below indicate a sensitivity analysis of exchange rate changes of the main foreign currencies to which the Group had significant on- and off-balance sheet exposure on its monetary assets and liabilities and its estimated future cash flows. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on profit before taxation and equity. The impact on equity only includes the impact on other comprehensive income. A negative amount in the table reflects a potential net reduction in profit before taxation or equity, while a positive amount reflects a potential net increase. While the table below indicates the effect on profit before taxation and equity of a 1% depreciation of USD and HKD against RMB, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of the reporting period are kept unchanged and, therefore, has not incorporated actions that would be taken by the Group to mitigate the adverse impact of this currency risk.

Currency	Change in exchange rate	Effect on profit before taxation		Effect on equity	
		30 June	31 December	30 June	31 December
		2024	2023	2024	2023
USD	-1%	35	267	(863)	(629)
HKD	-1%	204	327	(1,522)	(1,443)

A breakdown of the assets and liabilities analysed by currency is as follows:

	30 June 2024				
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	Total (in RMB equivalent)
Assets:					
Cash and balances with central banks	3,319,714	166,081	6,706	135,627	3,628,128
Due from banks and other financial institutions (i)	1,403,864	492,975	41,035	233,335	2,171,209
Derivative financial assets	99,549	27,141	10,025	13,695	150,410
Loans and advances to customers	25,671,680	724,449	339,133	342,705	27,077,967
Financial investments					
Financial investments measured at FVTPL	857,759	31,280	12,128	14,980	916,147
Financial investments measured at FVTOCI	2,103,620	360,176	57,133	120,747	2,641,676
Financial investments measured at amortised cost	9,103,152	190,378	26,551	111,018	9,431,099
Investments in associates and joint ventures	36,022	2,254	188	27,104	65,568
Property and equipment	127,805	166,725	655	2,591	297,776
Other	479,626	114,678	6,781	135,471	736,556
Total assets	43,202,791	2,276,137	500,335	1,137,273	47,116,536
Liabilities:					
Due to central banks	216,206	1,272	–	814	218,292
Due to banks and other financial institutions (ii)	4,824,618	615,445	74,373	246,667	5,761,103
Financial liabilities measured at FVTPL	4,893	2,976	4	63,983	71,856
Derivative financial liabilities	74,638	32,260	8,863	7,582	123,343
Certificates of deposit	127,041	192,376	60,721	29,818	409,956
Due to customers	32,394,845	930,396	410,200	371,875	34,107,316
Debt securities issued	1,374,856	182,746	–	31,136	1,588,738
Other	747,009	145,666	36,393	42,363	971,431
Total liabilities	39,764,106	2,103,137	590,554	794,238	43,252,035
Net long/(short) position	3,438,685	173,000	(90,219)	343,035	3,864,501
Credit commitments	2,650,566	420,168	46,252	203,865	3,320,851

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	31 December 2023				
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	Total (in RMB equivalent)
Assets:					
Cash and balances with central banks	3,741,187	168,210	8,133	124,763	4,042,293
Due from banks and other financial institutions (i)	1,612,535	427,598	39,665	261,176	2,340,974
Derivative financial assets	30,533	25,973	7,455	11,378	75,339
Loans and advances to customers	23,997,794	690,350	346,152	352,637	25,386,933
Financial investments					
Financial investments measured at FVTPL	761,884	30,975	10,832	8,266	811,957
Financial investments measured at FVTOCI	1,736,925	359,118	38,971	95,848	2,230,862
Financial investments measured at amortised cost	8,450,363	192,730	36,996	126,760	8,806,849
Investments in associates and joint ventures	36,804	2,096	196	25,682	64,778
Property and equipment	134,199	161,870	674	2,135	298,878
Other	333,577	174,586	5,658	124,395	638,216
Total assets	40,835,801	2,233,506	494,732	1,133,040	44,697,079
Liabilities:					
Due to central banks	230,246	–	–	1,128	231,374
Due to banks and other financial institutions (ii)	3,588,038	482,444	73,509	243,973	4,387,964
Financial liabilities measured at FVTPL	4,937	2,250	4	55,668	62,859
Derivative financial liabilities	28,563	29,765	8,627	9,296	76,251
Certificates of deposit	103,347	208,441	40,857	32,553	385,198
Due to customers	31,837,835	871,819	434,579	376,941	33,521,174
Debt securities issued	1,150,601	187,762	2,058	29,356	1,369,777
Other	569,117	213,141	24,334	79,302	885,894
Total liabilities	37,512,684	1,995,622	583,968	828,217	40,920,491
Net long/(short) position	3,323,117	237,884	(89,236)	304,823	3,776,588
Credit commitments	2,525,419	426,002	49,055	183,704	3,184,180

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(d) Interest rate risk in the banking book

Interest rate risk in the banking book is defined as the risk of loss in the overall return and the economic value of the banking book arising from adverse movements in interest rate and term structure. This type of risk may occur in the following situations:

- the repricing period of different financial instruments are different when the interest rate changes;
- despite the similarities in maturity periods, changes in the benchmark interest rate vary among on- and off-balance sheet business in the banking book with different pricing benchmark interest rates;
- the Bank or the counterparty can elect to change the level or the maturity of future cash flows of financial instruments when the Bank holds option derivatives or when there are embedded option terms or implied options in the on- and off-balance sheet businesses in the banking book; and
- due to changes in expected default levels or market liquidity, the market's assessment of the credit quality of financial instruments changes, leading to changes in credit spreads.

The Group manages the interest rate risk in the banking book through the Asset and Liability Management Department, and the following methods have been adopted:

- interest rate prediction: analysing the macro-economic factors that may impact the PBOC benchmark interest rates and market interest rates;
- duration management: optimising the differences in timing between contractual repricing (or maturities) of interest-generating assets and interest-bearing liabilities;
- pricing management: managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the benchmark interest rates or market interest rates;
- limit management: optimising the positions of interest-generating assets and interest-bearing liabilities and controlling the impact on profit or loss and equity; and
- hedging: using interest rate derivatives for hedging management in a timely manner.

The Group measures interest rate risk mainly by analysing the sensitivity of projected net interest income under various interest rate movements (scenario analysis). The Group aims to mitigate the impact of prospective interest rate movements which might reduce future net interest income, while balancing the cost of hedging on the current revenue.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, on the Group's net interest income and equity.

The effect on net interest income is the impact of the assumed changes in interest rates on the net interest income, arising from the financial assets and financial liabilities held at the end of the reporting period that are subject to repricing within the coming year, including the effect of hedging instruments. The effect on equity is the impact of the assumed changes in interest rates on other comprehensive income, calculated by revaluing fixed rate financial assets measured at FVTOCI held at the end of the reporting period, including the effect of any associated hedging instruments.

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

Currency	30 June 2024			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(27,042)	(86,812)	27,042	102,535
USD	668	(4,036)	(668)	4,437
HKD	155	(157)	(155)	159
Other	1,642	(1,611)	(1,642)	1,523
Total	(24,577)	(92,616)	24,577	108,654

Currency	31 December 2023			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(14,922)	(73,298)	14,922	84,941
USD	(1,320)	(6,466)	1,320	6,655
HKD	(1,439)	(95)	1,439	96
Other	1,008	(20)	(1,008)	74
Total	(16,673)	(79,879)	16,673	91,766

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the estimated movements in net interest income and equity based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions other than hedging that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of all maturities move by the same degree and, therefore, do not reflect the potential impact on net interest income and equity in the case where some rates change while others remain unchanged.

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities:

	30 June 2024					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non-interest-bearing	
Assets:						
Cash and balances with central banks	3,226,829	5,594	4,400	–	391,305	3,628,128
Due from banks and other financial institutions (i)	1,659,500	456,608	28,055	999	26,047	2,171,209
Derivative financial assets	–	–	–	–	150,410	150,410
Loans and advances to customers	8,601,258	18,007,147	257,155	155,157	57,250	27,077,967
Financial investments						
Financial investments measured at FVTPL	87,611	211,178	185,690	181,482	250,186	916,147
Financial investments measured at FVTOCI	429,266	525,315	841,530	735,808	109,757	2,641,676
Financial investments measured at amortised cost	543,685	1,022,562	3,525,890	4,230,681	108,281	9,431,099
Investments in associates and joint ventures	–	–	–	–	65,568	65,568
Property and equipment	–	–	–	–	297,776	297,776
Other	2,351	7,587	24,759	6,684	695,175	736,556
Total assets	14,550,500	20,235,991	4,867,479	5,310,811	2,151,755	47,116,536
Liabilities:						
Due to central banks	52,461	165,794	–	–	37	218,292
Due to banks and other financial institutions (ii)	3,971,211	1,530,368	195,981	5,667	57,876	5,761,103
Financial liabilities measured at FVTPL	4,115	3,346	4,737	494	59,164	71,856
Derivative financial liabilities	–	–	–	–	123,343	123,343
Certificates of deposit	192,938	194,728	19,501	–	2,789	409,956
Due to customers	17,380,358	7,121,937	8,885,737	11,031	708,253	34,107,316
Debt securities issued	112,175	636,540	225,773	598,390	15,860	1,588,738
Other	4,037	12,033	38,493	11,190	905,678	971,431
Total liabilities	21,717,295	9,664,746	9,370,222	626,772	1,873,000	43,252,035
Interest rate exposure	(7,166,795)	10,571,245	(4,502,743)	4,684,039	N/A	N/A

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

Notes to the Consolidated Financial Statements
(In RMB millions, unless otherwise stated)

	31 December 2023					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non-interest-bearing	
Assets:						
Cash and balances with central banks	3,707,044	2,498	4,303	–	328,448	4,042,293
Due from banks and other financial institutions (i)	1,946,422	323,422	35,293	–	35,837	2,340,974
Derivative financial assets	–	–	–	–	75,339	75,339
Loans and advances to customers	9,187,465	15,369,942	528,802	245,909	54,815	25,386,933
Financial investments						
Financial investments measured at FVTPL	33,322	234,428	125,924	194,907	223,376	811,957
Financial investments measured at FVTOCI	272,320	420,740	803,302	629,586	104,914	2,230,862
Financial investments measured at amortised cost	580,346	849,538	3,198,040	4,079,888	99,037	8,806,849
Investments in associates and joint ventures	–	–	–	–	64,778	64,778
Property and equipment	–	–	–	–	298,878	298,878
Other	2,457	7,674	40,169	24,485	563,431	638,216
Total assets	15,729,376	17,208,242	4,735,833	5,174,775	1,848,853	44,697,079
Liabilities:						
Due to central banks	73,225	158,149	–	–	–	231,374
Due to banks and other financial institutions (ii)	3,415,815	924,444	13,684	10	34,011	4,387,964
Financial liabilities measured at FVTPL	3,647	633	4,847	316	53,416	62,859
Derivative financial liabilities	–	–	–	–	76,251	76,251
Certificates of deposit	181,578	180,896	19,878	–	2,846	385,198
Due to customers	17,501,563	6,643,611	8,618,565	14,862	742,573	33,521,174
Debt securities issued	172,151	311,141	193,484	678,275	14,726	1,369,777
Other	4,292	12,526	54,930	29,349	784,797	885,894
Total liabilities	21,352,271	8,231,400	8,905,388	722,812	1,708,620	40,920,491
Interest rate exposure	(5,622,895)	8,976,842	(4,169,555)	4,451,963	N/A	N/A

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

(e) Capital management

The Group has set the following capital management objectives:

- maintain sound capital adequacy to meet regulatory and policy requirements on capital, keep stable capital base to ensure the implementation of the Group's business growth and strategic plans in order to achieve comprehensive, balanced, and sustainable development;
- adopt the advanced capital measurement approach, improve the internal capital adequacy assessment process (ICAAP), publicly disclose information on capital management, cover all types of material risks, and ensure stable operations of the Group;
- leverage on the results of quantitative assessments of material risks fully, establish a bank-wide value management mechanism with a core of economic capital, improve the aligned policies, processes and applications in business management, strengthen the capital constraints and capital incentives mechanism, enhance the abilities of product pricing and decision-making support, and improve the capital allocation efficiency; and
- make effective use of various capital instruments, continuously enhance capital strengths, refine the capital structure, improve capital quality, reduce capital costs, and maximise shareholders' returns.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk profiles of its business operations. In order to maintain or adjust the capital structure, the Group may adjust its profit distribution policies, issue or repurchase its own shares, eligible additional tier 1 capital instruments, eligible tier 2 capital instruments or convertible bonds.

The Group monitors the capital adequacy ratios regularly based on regulations issued by the NFRA. The required information is quarterly filed with the NFRA by the Group and the Bank.

Since 1 January 2024, the Group commenced calculating the capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant regulations, according to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, an enterprise that meets the regulatory requirements shall adopt the foundation IRB approach for its corporate credit risk exposures, the IRB approach for its retail credit risk exposures, the weighted approach for its credit risk uncovered by the IRB approach, the standardised approach for its market risk exposures and the standardised approach for its operational risk exposures.

According to Regulation Governing Capital of Commercial Banks, Measures for the Assessment of Systemically Important Banks, Additional Regulation of Systemically Important Banks (Provisional), and the capital surcharge applied to global systemically important banks as required by the Basel Committee on Banking Supervision, the minimum common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group shall not be lower than 9%, 10% and 12% respectively. In addition, overseas entities are directly regulated by local banking regulators, and the required capital adequacy ratios differ by countries or regions.

The Group calculates the following common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio in accordance with the Regulation Governing Capital of Commercial Banks and relevant requirements. The requirements pursuant to these regulations may be different from those applicable in Hong Kong SAR and other jurisdictions.

The capital adequacy ratios and related data of the Group are calculated based on the statutory financial statements of the Group prepared under the PRC GAAP. During the reporting period, the Group has complied in full with all its externally imposed regulatory capital requirements.

Notes to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

The common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group calculated in accordance with the advanced capital measurement approaches in the Regulation Governing Capital of Commercial Banks are as follows, the comparative figures are not restated:

	30 June 2024	31 December 2023
Common equity tier 1 capital	3,491,035	3,404,032
Paid-in capital	356,407	356,407
Valid portion of capital reserve	148,141	148,164
Surplus reserve	428,457	428,007
General reserve	561,845	561,303
Retained profits	1,962,107	1,905,968
Valid portion of minority interests	3,794	3,623
Accumulated other comprehensive income	30,284	N/A
Other	N/A	560
Common equity tier 1 capital deductions	13,891	22,091
Goodwill	8,598	8,488
Other intangible assets other than land use rights	8,592	8,490
Cash flow hedging reserves that relate to the hedging of items that are not fair-valued on the balance sheet	(3,299)	(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
Net common equity tier 1 capital	3,477,144	3,381,941
Additional tier 1 capital	355,028	354,978
Additional tier 1 capital instruments and related premiums	354,331	354,331
Valid portion of minority interests	697	647
Net tier 1 capital	3,832,172	3,736,919
Tier 2 capital	980,234	970,181
Valid portion of tier 2 capital instruments and related premiums	545,804	635,672
Surplus provision for loan impairment	433,312	N/A
Surplus provision for impairment	N/A	333,382
Valid portion of minority interests	1,118	1,127
Net capital base	4,812,406	4,707,100
Risk-weighted assets (i)	25,123,488	24,641,631
Common equity tier 1 capital adequacy ratio	13.84%	13.72%
Tier 1 capital adequacy ratio	15.25%	15.17%
Capital adequacy ratio	19.16%	19.10%

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

44. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group has established policies and internal controls with respect to the measurement of fair values, specifically the framework of fair value measurement of financial instruments, fair value measurement methodologies and operating procedures. Fair value measurement methodologies specify valuation techniques, parameter selection and relevant concepts, models and parameter-seeking methods. Operating procedures specify measurement procedures, timing of valuation, market parameter selection and corresponding allocation of responsibilities. In the process of fair value measurement, front office is responsible for daily transaction management. The Finance and Accounting Department plays a lead role in formulating accounting policies of fair value measurement, valuation methodologies and system implementation. The Risk Management Department is responsible for verifying trade details and validating models.

Fair value estimates are generally subjective in nature and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs: valuation techniques are used, for which certain inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following is a description of the fair value of financial instruments measured at fair value which are determined using valuation techniques. They incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Financial investments

Financial investments that use valuation techniques for their valuation include debt securities, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. The Group values such investments by incorporating either only observable data or both observable and unobservable data. Observable inputs include assumptions regarding current interest rates; unobservable inputs include assumptions regarding expected default rates, prepayment rates, discount rates and market liquidity.

The majority of the debt securities investments classified as level 2 are RMB bonds. The fair values of these bonds are determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd., which are determined based on a valuation technique for which all significant inputs are observable market data.

Derivatives

Derivatives that use valuation techniques with market observable inputs are mainly interest rate swaps, currency forwards, swaps and options. The most frequently applied valuation techniques include discounted cash flow model and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, interest rate yield curves.

Structured derivatives are mainly valued using dealer's quotations.

Loans and advances to customers

The loans and advances to customers that use valuation techniques for valuation are mainly the bills and discounted cash flow model is used. For bank acceptance bill, based on the different credit risk of the acceptor, interest rate yield curve is set up using the actual market data; for commercial bill, based on the interbank offered rate, interest rate yield curve is constructed, with spreads adjusted for credit risk and liquidity.

Other liabilities at fair value through profit or loss

For unquoted other liabilities at FVTPL, discounted cash flow model is used based on current yield curve appropriate for the remaining term to maturity adjusted for market liquidity and credit spreads; and Heston model is applied based on parameters including yields, foreign exchange forward rates, foreign exchange rate volatilities, which are calibrated by active market quotes of standard European option with the same underlying items.

(a) Financial instruments measured at fair value

	30 June 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial assets	8,812	141,248	350	150,410
Reverse repurchase agreements measured at FVTPL	–	83,448	–	83,448
Loans and advances to customers measured at FVTPL	–	6,863	111	6,974
Loans and advances to customers measured at FVTOCI	–	1,496,600	–	1,496,600
Financial investments measured at FVTPL				
Debt securities investments	28,360	604,135	2,905	635,400
Equity investments	19,810	11,414	70,739	101,963
Funds and other investments	41,170	88,314	49,300	178,784
	89,340	703,863	122,944	916,147
Financial investments measured at FVTOCI				
Debt securities investments	391,001	2,159,937	–	2,550,938
Other debt investments	–	5,557	–	5,557
Equity investments	13,411	32,153	39,617	85,181
	404,412	2,197,647	39,617	2,641,676
	502,564	4,629,669	163,022	5,295,255
Financial liabilities:				
Due to customers	–	235,975	–	235,975
Repurchase agreements	–	68,199	–	68,199
Financial liabilities measured at FVTPL	775	69,055	2,026	71,856
Derivative financial liabilities	6,421	115,952	970	123,343
	7,196	489,181	2,996	499,373

	31 December 2023			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Derivative financial assets	3,333	71,491	515	75,339
Reverse repurchase agreements measured at FVTPL	–	40,514	–	40,514
Loans and advances to customers measured at FVTPL	–	5,990	114	6,104
Loans and advances to customers measured at FVTOCI	–	1,295,585	–	1,295,585
Financial investments measured at FVTPL				
Debt securities investments	21,412	515,389	3,368	540,169
Equity investments	19,885	10,935	74,226	105,046
Funds and other investments	37,443	87,942	41,357	166,742
	78,740	614,266	118,951	811,957
Financial investments measured at FVTOCI				
Debt securities investments	338,551	1,804,101	–	2,142,652
Other debt investments	–	5,421	–	5,421
Equity investments	8,761	33,556	40,472	82,789
	347,312	1,843,078	40,472	2,230,862
	429,385	3,870,924	160,052	4,460,361
Financial liabilities:				
Due to customers	–	202,976	–	202,976
Repurchase agreements	–	28,174	–	28,174
Financial liabilities measured at FVTPL	1,462	59,559	1,838	62,859
Derivative financial liabilities	3,133	71,939	1,179	76,251
	4,595	362,648	3,017	370,260

(b) Movement of level 3 financial instruments measured at fair value

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value:

	1 January 2024	Total gains/(losses) recorded in profit or loss	Total effects on other comprehensive income	Additions	Disposals and settlements	Transfer (out)/in of level 3	30 June 2024
Financial assets:							
Derivative financial assets	515	205	-	13	(365)	(18)	350
Loans and advances to customers measured at FVTPL	114	3	-	117	(123)	-	111
Financial investments measured at FVTPL							
Debt securities investments	3,368	616	-	98	(1,177)	-	2,905
Equity investments	74,226	893	-	901	(5,281)	-	70,739
Funds and other investments	41,357	(511)	-	9,713	(1,259)	-	49,300
Financial investments measured at FVTOCI							
Equity investments	40,472	-	15	35	(515)	(390)	39,617
	160,052	1,206	15	10,877	(8,720)	(408)	163,022
Financial liabilities:							
Financial liabilities measured at FVTPL	(1,838)	(136)	-	(323)	271	-	(2,026)
Derivative financial liabilities	(1,179)	(126)	-	-	282	53	(970)
	(3,017)	(262)	-	(323)	553	53	(2,996)

	1 January 2023	Total gains/(losses) recorded in profit or loss	Total effects on other comprehensive income	Additions	Disposals and settlements	Transfer in/(out) of level 3	31 December 2023
Financial assets:							
Derivative financial assets	886	177	-	24	(587)	15	515
Loans and advances to customers measured at FVTPL	109	14	-	-	(9)	-	114
Financial investments measured at FVTPL							
Debt securities investments	3,158	412	-	511	(800)	87	3,368
Equity investments	68,484	(99)	-	16,612	(10,237)	(534)	74,226
Funds and other investments	36,320	588	-	10,484	(6,035)	-	41,357
Financial investments measured at FVTOCI							
Debt securities investments	362	-	-	-	(362)	-	-
Equity investments	47,024	-	1,495	1,488	(9,535)	-	40,472
	156,343	1,092	1,495	29,119	(27,565)	(432)	160,052
Financial liabilities:							
Financial liabilities measured at FVTPL	(1,311)	(156)	-	(595)	224	-	(1,838)
Derivative financial liabilities	(2,185)	675	-	(77)	396	12	(1,179)
	(3,496)	519	-	(672)	620	12	(3,017)

Net gains or losses on level 3 financial instruments of the Group are set out below:

	Six months ended 30 June	
	2024	2023
Realised	(208)	208
Unrealised	1,152	2,533
	944	2,741

(c) Transfers between levels

(i) Transfers between level 1 and level 2

Due to changes in market conditions for certain securities, quoted prices in active markets were available for these securities. Therefore, these securities were transferred from level 2 to level 1 of the fair value hierarchy as at the end of the reporting period.

Due to changes in market conditions for certain securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities were transferred from level 1 to level 2 of the fair value hierarchy as at the end of the reporting period.

For the six months ended 30 June 2024 and 30 June 2023, the transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities measured at fair value of the Group were not significant.

(ii) Transfers between level 2 and level 3

At the end of the reporting period, certain financial instruments were transferred out from level 2 to level 3 of the fair value hierarchy for financial assets and liabilities when significant inputs used in their fair value measurements, which were previously observable became unobservable.

At the end of the reporting period, certain financial instruments were transferred out from level 3 of the fair value hierarchy for financial assets and liabilities, when significant inputs used in their fair value measurements, which were previously unobservable became observable, or when there was a change in valuation technique.

(d) Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs primarily include certain structured financial derivatives, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. These financial instruments are valued using discounted cash flow model, net asset value method and market comparison approach. The models incorporate various unobservable assumptions such as expected default rates, prepayment rates, discount rates and market liquidity.

As at 30 June 2024, the effects of changing the significant unobservable assumptions to reasonably possible alternative assumptions were not significant (31 December 2023: not significant).

(e) Fair value of financial assets and financial liabilities not carried at fair value

There are no significant differences between the carrying amount and the fair value of financial assets and financial liabilities not measured at fair value, except for the following items:

30 June 2024					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial investments measured at amortised cost	9,431,099	9,903,639	164,277	9,597,624	141,738
Financial liabilities					
Subordinated bonds and tier 2 capital bonds issued	655,197	669,777	–	669,777	–
31 December 2023					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial investments measured at amortised cost	8,806,849	9,083,501	75,260	8,830,559	177,682
Financial liabilities					
Subordinated bonds and tier 2 capital bonds issued	704,129	705,809	–	705,809	–

Subject to the existence of an active market, such as an authorised stock exchange, the market value is the best reflection of the fair value of a financial instrument. As there is no available market value for certain financial assets held and financial liabilities issued by the Group, discounted cash flow or other valuation methods described below are adopted to determine the fair values of these financial assets and financial liabilities:

- (i) The fair values of financial investments measured at amortised cost relating to the restructuring of the Bank are estimated on the basis of the stated interest rates and the consideration of the relevant special clauses of the instruments evaluated in the absence of any other relevant observable market data, and the fair values approximate to their carrying amounts. The fair values of financial investments measured at amortised cost irrelevant to the restructuring of the Bank are determined based on the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.
- (ii) The fair values of subordinated bonds and tier 2 capital bonds issued are determined with reference to the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.

All of the aforementioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's financial assets and financial liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

45. EVENTS AFTER THE REPORTING PERIOD

On 30 August 2024, the Board of Directors of the Bank approved the distribution of interim cash dividends for ordinary shares of RMB0.1434 (pre-tax) per share of 356,406,257,089 ordinary shares for 2024, totaling about RMB51,109 million. The distribution plan will be submitted to the Shareholders' General Meeting for approval.

On 12 July 2024, the Bank completed the issuance of the 2024 undated additional tier 1 capital bonds (Series 1) (the "Perpetual Bonds") and the issuance size of the Perpetual Bonds is RMB50,000 million. The proceeds from the issuance of the Perpetual Bonds are used to replenish the additional tier 1 capital of the Bank. On 30 July 2024, the Bank fully redeemed the undated additional tier 1 capital bonds amounted to RMB80,000 million that was issued from 26 July 2019 to 30 July 2019.

On 29 August 2024, the Bank completed the issuance of the 2024 tier 2 capital bonds (Series 1) (the "Bonds") and the issuance size of the Bonds is RMB50,000 million. The proceeds from the issuance of the Bonds are used to replenish the tier 2 capital of the Bank.

The Bank reviewed and approved the distribution of dividends on "工行優2" and offshore USD preference shares at the meeting of the Board of Directors on 30 August 2024, planning to distribute the dividends on "工行優2" on 24 September 2024 at the dividend rate of 4.2% (pre-tax, and the tax payable on dividends received by holders of domestic preference shares should be borne by them in compliance with relevant laws and regulations) and the total dividends distributed will be RMB2,940 million; and planning to distribute the dividends on offshore USD preference shares on 23 September 2024 at the dividend rate of 3.58% (after-tax, namely the actual dividend rate obtained by offshore USD preference shareholders) and the dividends distributed on offshore USD preference shares will be approximately USD115.36 million including USD103.82 million to be paid to preference shareholders and approximately USD11.54 million of withholding income tax.

During the reporting period, the Bank signed the Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. The Bank intends to invest RMB21,500 million in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., holding 6.25% of equity interest, and the investment is expected to be fully paid within 10 years from the date of registration and establishment of the fund company. The investment has been approved by NFRA. China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. was officially established on 24 May 2024. The Bank paid an initial subscription of RMB1,075 million in July 2024.

In July 2020, the Bank signed the Promoter's Agreement of the National Green Development Fund Co, Ltd. In April 2021, upon the approval of former CBIRC, the Bank planned to contribute RMB8,000 million to National Green Development Fund Co, Ltd., which shall be paid by instalments. In May 2021, the Bank completed the first contribution of RMB800 million. In December 2022, the Bank completed the first tranche of the second contribution of RMB1,000 million. In July 2024, the Bank completed the second tranche of the second contribution of RMB1,000 million. The paid in amount of contribution totaled RMB2,800 million.

46. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period's presentation.

47. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on 30 August 2024.

Unaudited Supplementary Information to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

1. Statement of differences between the financial statements prepared under IFRSs and those prepared in accordance with PRC GAAP

There are no differences between the profit attributable to equity holders of the parent company under IFRSs and PRC GAAP for the six months ended 30 June 2024 and 30 June 2023. There are no differences between the equity attributable to equity holders of the parent company under IFRSs and PRC GAAP as at 30 June 2024 and 31 December 2023.

2. Currency concentrations

	30 June 2024			
	USD	HKD	Other	Total
Spot assets	2,107,158	499,492	1,107,578	3,714,228
Spot liabilities	(2,084,769)	(590,554)	(793,250)	(3,468,573)
Forward purchases	4,218,435	277,552	512,714	5,008,701
Forward sales	(4,493,379)	(93,057)	(784,206)	(5,370,642)
Net option position	(43,792)	3,173	(10,204)	(50,823)
Net (short)/long position	(296,347)	96,606	32,632	(167,109)
Net structural position	150,611	843	28,707	180,161

	31 December 2023			
	USD	HKD	Other	Total
Spot assets	2,069,540	493,862	1,105,223	3,668,625
Spot liabilities	(1,977,668)	(583,968)	(827,181)	(3,388,817)
Forward purchases	2,555,132	307,986	524,807	3,387,925
Forward sales	(2,784,831)	(124,849)	(758,157)	(3,667,837)
Net option position	(20,223)	2,185	(12,736)	(30,774)
Net (short)/long position	(158,050)	95,216	31,956	(30,878)
Net structural position	146,012	870	26,781	173,663

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority. The net structural position of the Group includes the structural positions of the Bank's overseas branches, banking subsidiaries and other subsidiaries substantially involved in foreign exchange transactions. Structural assets and liabilities include:

- property and equipment, net of depreciation charges;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries, associates and joint ventures.

3. Loans and advances to customers (excluding accrued interest)

(i) Overdue loans and advances to customers

	30 June 2024	31 December 2023
Gross loans and advances to customers of the Group which have been overdue with respect to either principal or interest for periods of:		
Between 3 and 6 months	37,655	38,972
Between 6 and 12 months	68,003	62,917
Over 12 months	144,405	121,299
	250,063	223,188
As a percentage of the total gross loans and advances to customers:		
Between 3 and 6 months	0.14%	0.15%
Between 6 and 12 months	0.24%	0.24%
Over 12 months	0.52%	0.46%
	0.90%	0.85%

The definition of overdue loans and advances to customers is as follows:

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

For loans and advances to customers repayable by regular instalments, if part of the instalments is overdue, the whole amount of the loans and advances would be classified as overdue.

(ii) Overdue loans and advances to customers by geographical distribution

	30 June 2024	31 December 2023
Head Office	51,659	46,984
Bohai Rim	49,313	48,059
Western China	55,255	53,866
Central China	51,625	42,126
Pearl River Delta	65,148	54,727
Yangtze River Delta	39,995	33,009
Northeastern China	19,406	18,899
Overseas and other	40,965	32,754
	373,366	330,424

(iii) Rescheduled loans and advances to customers

	30 June 2024		31 December 2023	
		% of total loans and advances to customers		% of total loans and advances to customers
Rescheduled loans and advances to customers	118,579	0.43%	82,723	0.32%
Less: Rescheduled loans and advances to customers overdue for more than three months	(7,621)	(0.03%)	(8,575)	(0.03%)
Rescheduled loans and advances to customers overdue for less than three months	110,958	0.40%	74,148	0.29%

4. Exposures to non-bank entities in Chinese mainland

The Bank is a commercial bank incorporated in Chinese mainland with its banking business primarily conducted in Chinese mainland. As at 30 June 2024 and 31 December 2023, substantial amounts of the Bank's exposures arose from businesses with entities or individuals in Chinese mainland. Analyses of various types of exposures by counterparty have been disclosed in the respective notes to the financial statements.



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