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交通銀行股份有限公司  
**Bank of Communications Co., Ltd.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 03328)**

**RESULTS ANNOUNCEMENT FOR THE THIRD QUARTER 2021**

The board of directors (the “**Board**”) of Bank of Communications Co., Ltd. (the “**Bank**”) is pleased to announce the unaudited results (the “**Third Quarter Results**”) of the Bank and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2021 (the “**Reporting Period**”). The Board and the Audit Committee of the Board have reviewed and confirmed the Third Quarter Results. This announcement is made pursuant to Part XIV A of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**I. CORPORATE INFORMATION**

	<b>Stock name</b>	<b>Stock code</b>	<b>Stock exchange</b>
<b>A Share</b>	Bank of Communications	601328	Shanghai Stock Exchange
<b>H Share</b>	BANKCOMM	03328	The Stock Exchange of Hong Kong Limited
<b>Domestic Preference Share</b>	BOCOM PREF1	360021	Shanghai Stock Exchange

**Secretary of the Board/Company Secretary**

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## II. FINANCIAL HIGHLIGHTS

As at 30 September 2021 (the “**end of the Reporting Period**”), the key financial data and financial indicators prepared by the Group in accordance with International Financial Reporting Standards are as follows:

	(in millions of RMB unless otherwise stated)			
	30 September 2021	31 December 2020	Increase/ decrease (%)	
Total assets	11,472,623	10,697,616	7.24	
Loans and advances to customers <sup>1</sup>	6,465,756	5,848,424	10.56	
Total liabilities	10,515,763	9,818,988	7.10	
Due to customers	6,986,659	6,607,330	5.74	
Shareholders' equity (attributable to shareholders of the Bank)	944,346	866,607	8.97	
Net assets per share (attributable to ordinary shareholders of the Bank, in RMB yuan) <sup>2</sup>	10.36	9.87	4.96	
	July to September 2021	Year-on-year increase/ decrease (%)	January to September 2021	Year-on-year increase/ decrease (%)
Net operating income	66,159	12.75	200,210	7.85
Profit before tax	22,831	30.04	69,419	20.70
Net profit (attributable to shareholders of the Bank)	22,341	37.85	64,360	22.10
Basic earnings per share (attributable to ordinary shareholders of the Bank, in RMB yuan) <sup>3</sup>	0.26	36.84	0.80	23.08
Diluted earnings per share (attributable to ordinary shareholders of the Bank, in RMB yuan)	0.26	36.84	0.80	23.08
Return on weighted average net assets (annualised, %) <sup>3</sup>	11.37	Increase by 2.44 percentage points	10.72	Increase by 1.40 percentage points

*Notes:*

1. Loans and advances to customers does not include interest receivables of related loans and advances.
2. It represents shareholder's equity attributable to ordinary shareholders of the Bank after the deduction of other equity instruments divided by the total number of ordinary shares issued as at the end of the Reporting Period.
3. It is calculated pursuant to the requirements of *Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share* (2010 Revision) issued by the China Securities Regulatory Commission (the “CSRC”).

### III. SHAREHOLDERS' INFORMATION

#### (1) Total Number of Ordinary Shareholders and Shareholdings

As at the end of the Reporting Period, the Bank had a total of 404,725 ordinary shareholders, of which 372,601 were holders of A shares and 32,124 were holders of H shares. The shareholdings of Top 10 ordinary shareholders of the Bank are listed as follows:

Name of shareholders	Nature of shareholders	Number of shares held (share)	Percentage (%)	Class of shares	Shares pledged/ marked/frozen
The Ministry of Finance of the People's Republic of China	Government	13,178,424,446	17.75	A Share	Nil
HKSCC Nominees Limited <sup>2, 6</sup>	Foreign legal entity	4,553,999,999	6.13	H Share	Nil
		14,978,262,220	20.17	H Share	Unknown
The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) <sup>2, 3</sup>	Foreign legal entity	13,886,417,698	18.70	H Share	Nil
The National Council for Social Security Fund (the “SSF”) <sup>2, 4</sup>	Government	3,105,155,568	4.18	A Share	Nil
		1,405,555,555	1.89	H Share	Nil
China Securities Finance Corporation Limited	State-owned legal entity	1,891,651,202	2.55	A Share	Nil
Capital Airport Holdings Company	State-owned legal entity	1,246,591,087	1.68	A Share	Nil
Shanghai Haiyan Investment Management Co., Ltd. <sup>5</sup>	State-owned legal entity	808,145,417	1.09	A Share	Nil
Hong Kong Securities Clearing Company Ltd. (“HKSCC”)	Foreign legal entity	806,204,055	1.09	A Share	Nil
Yunnan Hehe (Group) Co., Ltd. <sup>5</sup>	State-owned legal entity	745,305,404	1.00	A Share	Nil

Name of shareholders	Nature of shareholders	Number of shares held (share)	Percentage (%)	Class of shares	Shares pledged/ marked/frozen
FAW Equity Investment (Tianjin) Co., Ltd.	State-owned legal entity	663,941,711	0.89	A Share	Nil

*Notes:*

1. All ordinary shares issued by the Bank are not subject to any sales restrictions. The relevant data and information are extracted from the Bank's register of members at the Registrar and Transfer Office.
2. The aggregate number of shares held by HKSCC Nominees Limited represents the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period. The data includes 249,218,915 and 7,649,216,777 H shares indirectly held by HSBC and the SSF respectively, which were registered under HKSCC Nominees Limited. The data does not include 13,886,417,698 and 1,405,555,555 H shares of the Bank directly held by the aforementioned two shareholders respectively, which were registered in the Bank's register of members.
3. According to the disclosure forms of interests filed with The Stock Exchange of Hong Kong Limited by HSBC Holdings plc, **HSBC beneficially held 14,135,636,613 H shares of the Bank as at the end of the Reporting Period, representing 19.03% of the Bank's total ordinary shares issued.** HSBC beneficially held 249,218,915 more H shares than the number shown on the Bank's register of members. The discrepancy is due to a purchase of H shares by HSBC from the secondary market in 2007 and thereafter receiving bonus shares issued by the Bank and participating in the rights issue of the Bank. Those extra shares have been registered under HKSCC Nominees Limited.
4. The number included 1,970,269,383 A shares of the Bank held by the Sixth Transfer Account for State-owned Capital of the SSF. Other than the above shareholdings, the SSF held additional 7,649,216,777 H shares of the Bank, of which 7,027,777,777 H shares were registered under HKSCC Nominees Limited and 621,439,000 H shares were indirectly held by certain asset managers (including Hong Kong Stock Connect). **As at the end of the Reporting Period, the SSF held a total of 12,159,927,900 A shares and H shares of the Bank, representing 16.37% of the Bank's total ordinary shares issued.**

5. Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. are parties acting in concert as defined in the *Provisional Measures on Shareholdings Administration of Commercial Banks*.
6. HKSCC Nominees Limited is a wholly-owned subsidiary of HKSCC.
7. The Bank is not aware of the existence of any related relationship among the other Top 10 shareholders, or whether they are parties acting in concert as defined in the *Provisional Measures on Shareholdings Administration of Commercial Banks*.

## (2) Total Number of Preference Shareholders and Shareholdings

From January to September 2021, the Bank did not restore any voting right of the preference shares. As at the end of the Reporting Period, the total number of preference shareholders of the Bank was 40. Shareholdings of Top 10 preference shareholders are listed as follows:

Name of shareholders	Nature of shareholders	Number of shares held (share)	Percentage (%)	Class of shares	Shares pledged/ marked/frozen
China Mobile Communications Group Co., Ltd.	State-owned legal entity	100,000,000	22.22	Domestic preference share	Nil
Hwabao Trust Co., Ltd.-Hwabao Trust-Baofu Investment No.1 Collective Capital Trust Plan	Others	33,710,000	7.49	Domestic preference share	Nil
CCB Trust Co., Ltd. – “Qian Yuan – Ri Xin Yue Yi” Open-ended Wealth Management Unit Fund Trust	Others	20,000,000	4.44	Domestic preference share	Nil
TruValue Asset Management – CMB– China Merchants Bank Co., Ltd.	Others	20,000,000	4.44	Domestic preference share	Nil
Bosera Funds – ICBC – Bosera – ICBC – Flexible Allocation No. 5 Specific Multicustomer Asset Management Plan	Others	20,000,000	4.44	Domestic preference share	Nil
Wisdom Asset Management – Ping An Bank – Ping An Bank Co., Ltd.	Others	20,000,000	4.44	Domestic preference share	Nil
China Ping An Life Insurance Co., Ltd. – Self-owned Capital	Others	18,000,000	4.00	Domestic preference share	Nil

<b>Name of shareholders</b>	<b>Nature of shareholders</b>	<b>Number of shares held (share)</b>	<b>Percentage (%)</b>	<b>Class of shares</b>	<b>Shares pledged/ marked/frozen</b>
China National Tobacco Corporation – Henan Company	State-owned legal entity	15,000,000	3.33	Domestic preference share	Nil
China Life Property & Casualty Insurance Company Limited – Traditional – General Insurance Product	Others	15,000,000	3.33	Domestic preference share	Nil
CITIC Securities-PSBC-CITIC Securities Star No.28 Collective Asset Management Plan	Others	14,000,000	3.11	Domestic preference share	Nil

*Notes:*

1. All preference shares issued by the Bank are not subject to any sales restrictions.
2. Shareholdings of preference shareholders are summarised according to the Bank's register of members of preference shareholders.
3. "Percentage" refers to the percentage of number of preference shares held by preference shareholders in the total number of preference shares.
4. The Bank is not aware of the existence of any related relationship among the Top 10 preference shareholders or any related relationship between the above shareholders and Top 10 ordinary shareholders, or whether they are parties acting in concert.

## IV. MANAGEMENT DISCUSSION AND ANALYSIS

During the third quarter of 2021, the Group insisted on the target of high-quality development and firmly grasped the macroeconomic trends and the business development patterns. By intensively focusing on the “One-Four-Five” Strategy and the principal theme of structure adjustment, the Group further consolidated the operating status of making ongoing progress and quality improvement while maintaining stability. As at the end of the Reporting Period, the total assets of the Group increased by 7.24% over the end of the previous year to 11,472.623 billion. The total liabilities increased by 7.10% over the end of the previous year to 10,515.763 billion. Shareholders’ equity (attributable to shareholders of the Bank) increased by 8.97% over the end of the previous year to 944.346 billion. From January to September 2021, the net operating income increased by 7.85% on a year-on-year basis to 200.210 billion. The net profit (attributable to shareholders of the Bank) increased by 22.10% on a year-on-year basis to 64.360 billion. The annualized return on average assets and the annualized return on weighted average net assets were 0.79% and 10.72%, representing year-on-year increases of 0.10 percentage point and 1.40 percentage points respectively.

### (1) Analysis on Key Income Statement Items

#### *1. Net interest income*

From January to September 2021, the net interest income of the Group increased by 5.230 billion or 4.59% on a year-on-year basis to 119.244 billion, which accounted for 59.56% of the net operating income, representing a year-on-year decrease of 1.86 percentage points. The increase of net interest income was mainly contributed by business scaling growth.

From January to September 2021, the net interest margin of the Group decreased by 1 basis point on a year-on-year basis to 1.55%, which generally remained steady. On the asset side, the Group implemented the requirements of national policies, actively served the real economy, and lowered the corporate financing costs. Meanwhile, the Group was also under the comprehensive influence of factors such as several times of LPR decrease in the previous year, which resulted in a year-on-year decrease of return on assets. On the liability side, by proactively reducing the scale of structured deposits and other high-cost deposits as well as expanding the sources of low-cost capital, the Group consistently optimised the liability structure, lowered the costs of liabilities, and managed to mitigate the negative influence brought about by the decrease in return on assets.

## **2. *Net fee and commission income***

From January to September 2021, the net fee and commission income of the Group increased by 1.166 billion or 3.33% on a year-on-year basis to 36.149 billion, which accounted for 18.06% of the net operating income, representing a year-on-year decrease of 0.79 percentage point. The year-on-year increase of net fee and commission income was mainly attributable to the increase of income from agency business and wealth management business.

## **3. *Operating expenses***

From January to September 2021, the Group's operating expenses increased by 1.610 billion or 3.12% on a year-on-year basis to 53.259 billion. The Group's cost-to-income ratio was 27.88%, representing a year-on-year decrease of 1.47 percentage points.

## **4. *Asset impairment losses***

From January to September 2021, the Group's asset impairment losses increased by 776 million or 1.49% on a year-on-year basis to 52.846 billion, of which the credit impairment losses decreased by 441 million or 0.91% on a year-on-year basis to 48.102 billion. Currently there are still many uncertain factors in the process of global economic recovery and the pandemic situation, and the basis for domestic economic recovery requires to be further consolidated. The Bank managed to maintain the same level of provision and asset impairment losses on a year-on-year basis, and thus remained resilient in withstanding risks.

# **(2) Analysis on Key Balance Sheet Items**

## **1. *Loans and advances to customers***

As at the end of the Reporting Period, the balance of loans and advances to customers was 6,465.756 billion, representing an increase of 617.332 billion or 10.56% over the end of the previous year, of which the balance of corporate loans increased by 414.831 billion or 11.19% over the end of the previous year to 4,122.302 billion, the balance of personal loans increased by 218.610 billion or 11.04% over the end of the previous year to 2,199.492 billion, and the balance of discounted bills decreased by 16.109 billion or 10.06% to 143.962 billion.



## **2. *Due to customers***

As at the end of the Reporting Period, the balance of due to customers increased by 379.329 billion or 5.74% over the end of the previous year to 6,986.659 billion, of which the proportion of due to corporate customers accounted for 64.60%, representing a decrease of 1.11 percentage points over the end of the previous year, the proportion of due to individual customers was 34.13%, representing an increase of 0.95 percentage point over the end of the previous year; the proportion of demand deposits was 38.53%, representing a decrease of 4.13 percentage points over the end of the previous year, and the proportion of time deposits was 60.20%, representing an increase of 3.97 percentage points over the end of the previous year.

## **3. *Financial investment***

As at the end of the Reporting Period, the Group's net balance of financial investment increased by 174.713 billion or 5.40% over the end of the previous year to 3,412.050 billion.

## **4. *Asset quality***

As at the end of the Reporting Period, the Group's balance of non-performing loans increased by 5.833 billion or 5.97% over the end of the previous year to 103.531 billion. The non-performing loan ratio decreased by 0.07 percentage point over the end of the previous year to 1.60%. The provision coverage ratio increased by 12.73 percentage points over the end of the previous year to 156.60%. The provision ratio increased by 0.11 percentage point over the end of the previous year to 2.51%.

## Distribution of special mention loans and overdue loans by business type

(in millions of RMB unless otherwise stated)

	30 September 2021				31 December 2020			
	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)
Corporate loans	76,541	1.86	66,063	1.60	71,677	1.93	60,851	1.64
Personal loans	12,691	0.58	32,179	1.46	10,841	0.55	29,264	1.48
Mortgage	3,531	0.25	8,271	0.58	2,395	0.19	7,132	0.55
Credit cards	8,112	1.70	19,813	4.16	7,684	1.66	18,245	3.93
Personal business loans	366	0.21	1,435	0.81	204	0.17	1,648	1.36
Others	682	0.62	2,660	2.41	558	0.55	2,239	2.19
Discounted bills	0	0.00	16	0.01	9	0.01	88	0.05
Total	89,232	1.38	98,258	1.52	82,527	1.41	90,203	1.54

## Distribution of loans and non-performing loans by business type

(in millions of RMB unless otherwise stated)

	30 September 2021				31 December 2020			
	Loans	Proportion (%)	Non- performing loans	Non- performing loan ratio (%)	Loans	Proportion (%)	Non- performing loans	Non- performing loan ratio (%)
Corporate loans	4,122,302	63.75	83,845	2.03	3,707,471	63.39	78,830	2.13
Personal loans	2,199,492	34.02	19,669	0.89	1,980,882	33.87	18,773	0.95
Mortgage	1,434,974	22.19	4,773	0.33	1,293,773	22.12	4,849	0.37
Credit cards	476,072	7.36	11,702	2.46	464,110	7.94	10,558	2.27
Personal business loans	178,158	2.76	1,215	0.68	120,985	2.07	1,542	1.27
Others	110,288	1.71	1,979	1.79	102,014	1.74	1,824	1.79
Discounted bills	143,962	2.23	17	0.01	160,071	2.74	95	0.06
Total	6,465,756	100.00	103,531	1.60	5,848,424	100.00	97,698	1.67

As at the end of the Reporting Period, the asset quality of the Group remained stable. The non-performing loan ratio, the special mention loan ratio and the overdue loan ratio all slightly decreased over the end of the previous year.

## V. PUBLICATION OF THE THIRD QUARTER REPORT

The results announcement will be simultaneously published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk), as well as the website of the Bank at [www.bankcomm.com](http://www.bankcomm.com) for the reference of shareholders. The third quarter report 2021 prepared in accordance with China Accounting Standard for Business Enterprises will be available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and the website of the Bank.

By order of the Board  
**Bank of Communications Co., Ltd.**  
**Ren Deqi**  
*Chairman of the Board*

Shanghai, the PRC  
29 October 2021

*As at the date of this announcement, the directors of the Bank are Mr. Ren Deqi, Mr. Liu Jun, Mr. Li Longcheng\*, Mr. Wang Linping\*, Mr. Chang Baosheng\*, Mr. Liao, Yi Chien David\*, Mr. Chan Siu Chung\*, Mr. Song Hongjun\*, Mr. Chen Junkui\*, Mr. Liu Haoyang\*, Mr. Yeung Chi Wai, Jason<sup>#</sup>, Mr. Woo Chin Wan, Raymond<sup>#</sup>, Mr. Cai Haoyi<sup>#</sup>, Mr. Shi Lei<sup>#</sup>, Mr. Zhang Xiangdong<sup>#</sup> and Ms. Li Xiaohui<sup>#</sup>.*

\* *Non-executive directors*

<sup>#</sup> *Independent non-executive directors*

## APPENDIX I FINANCIAL STATEMENTS

### (I) Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts expressed in millions of RMB unless otherwise stated)

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Interest income	95,927	91,772	279,879	278,001
Interest expense	(55,169)	(51,607)	(160,635)	(163,987)
<b>Net interest income</b>	<b>40,758</b>	40,165	<b>119,244</b>	114,014
Fee and commission income	12,275	11,807	39,574	38,022
Fee and commission expense	(1,092)	(1,101)	(3,425)	(3,039)
<b>Net fee and commission income</b>	<b>11,183</b>	10,706	<b>36,149</b>	34,983
Net gains arising from trading activities	7,117	1,405	17,286	8,758
Net gains arising from financial investments	258	637	1,030	2,142
<i>Including: Net gains on derecognition of financial assets measured at amortised cost</i>				
	5	3	45	71
Share of profits of associates and joint ventures	56	58	170	143
Insurance business income	2,284	1,586	13,306	12,522
Other operating income	4,503	4,119	13,025	13,073
<b>Net operating income</b>	<b>66,159</b>	58,676	<b>200,210</b>	185,635
Credit impairment losses	(19,346)	(18,581)	(52,428)	(51,914)
Other assets impairment losses	–	3	(418)	(156)
Insurance business expense	(2,682)	(1,879)	(13,607)	(12,901)
Other operating expense	(21,300)	(20,662)	(64,338)	(63,149)
<b>Profit before tax</b>	<b>22,831</b>	17,557	<b>69,419</b>	57,515

(All amounts expressed in millions of RMB unless otherwise stated)

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Income tax	(212)	(1,083)	(3,927)	(4,044)
<b>Net profit for the period</b>	<b>22,619</b>	<b>16,474</b>	<b>65,492</b>	<b>53,471</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Loans and advances to customers at fair value through other comprehensive income				
<i>Amount recognised in equity</i>	<i>(101)</i>	<i>(102)</i>	<i>218</i>	<i>147</i>
<i>Amount reclassified to profit or loss</i>	<i>(151)</i>	<i>51</i>	<i>(295)</i>	<i>(147)</i>
Debt investments at fair value through other comprehensive income				
<i>Amount recognised in equity</i>	<i>2,184</i>	<i>(1,951)</i>	<i>2,395</i>	<i>(2,078)</i>
<i>Amount reclassified to profit or loss</i>	<i>(86)</i>	<i>(474)</i>	<i>(278)</i>	<i>(1,536)</i>
Effective portion of gains or losses on hedging instruments in cash flow hedges				
<i>Amount recognised in equity</i>	<i>(20)</i>	<i>197</i>	<i>952</i>	<i>(462)</i>
<i>Amount reclassified to profit or loss</i>	<i>100</i>	<i>(62)</i>	<i>(640)</i>	<i>(58)</i>
Translation difference on foreign operations	(119)	(2,521)	(1,463)	(1,428)
Others	(1)	(21)	4	7
<b>Subtotal</b>	<b>1,806</b>	<b>(4,883)</b>	<b>893</b>	<b>(5,555)</b>

(All amounts expressed in millions of RMB unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Changes in fair value of equity investments designated at fair value through other comprehensive income	(347)	(3)	(802)	(374)
Actuarial losses on pension benefits	5	(154)	63	(188)
Changes in fair value attributable to changes in the credit risk of financial liability designated at fair value through profit or loss	(9)	(11)	(45)	33
Others	(5)	(6)	2	20
Subtotal	(356)	(174)	(782)	(509)
Other comprehensive income, net of tax	1,450	(5,057)	111	(6,064)
<b>Total Comprehensive income for the period</b>	<b>24,069</b>	<b>11,417</b>	<b>65,603</b>	<b>47,407</b>
<b>Net profit attributable to:</b>				
Shareholders of the Bank	22,341	16,207	64,360	52,712
Non-controlling interests	278	267	1,132	759
	22,619	16,474	65,492	53,471
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	23,795	11,375	64,594	46,778
Non-controlling interests	274	42	1,009	629
	24,069	11,417	65,603	47,407
<b>Basic and diluted earnings per share for profit attributable to the ordinary shareholders of the Bank (in RMB yuan)</b>	<b>0.26</b>	<b>0.19</b>	<b>0.80</b>	<b>0.65</b>

## (II) Unaudited Condensed Consolidated Statement of Financial Position

*(All amounts expressed in millions of RMB unless otherwise stated)*

	As at 30 September 2021	As at 31 December 2020
<b>ASSETS</b>		
Cash and balances with central banks	782,993	817,561
Due from and placements with banks and other financial institutions	628,788	571,130
Derivative financial assets	30,078	54,212
Loans and advances to customers	6,317,333	5,720,568
Financial investments at fair value through profit or loss	579,252	482,588
Financial investments at amortised cost	2,133,730	2,019,529
Financial investments at fair value through other comprehensive income	699,068	735,220
Investments in associates and joint ventures	5,670	4,681
Property and equipment	167,814	169,471
Deferred income tax assets	30,897	27,991
Other assets	97,000	94,665
<b>Total assets</b>	<b>11,472,623</b>	<b>10,697,616</b>
<b>LIABILITIES</b>		
Due to and placements from banks and other financial institutions	1,824,461	1,787,491

(All amounts expressed in millions of RMB unless otherwise stated)

	As at 30 September 2021	As at 31 December 2020
Financial liabilities at fair value through profit or loss	23,068	29,279
Derivative financial liabilities	27,710	55,942
Due to customers	6,986,659	6,607,330
Certificates of deposits issued	822,843	634,297
Current income tax liabilities	3,977	3,786
Deferred income tax liabilities	1,622	1,286
Debt securities issued	576,347	497,755
Other liabilities	249,076	201,822
<b>Total liabilities</b>	<b>10,515,763</b>	<b>9,818,988</b>
<b>EQUITY</b>		
Share capital	74,263	74,263
Other equity instruments	174,790	133,292
<i>Including: Preference shares</i>	44,952	44,952
<i>Perpetual bonds</i>	129,838	88,340
Capital surplus	111,428	111,428
Other reserves	347,379	333,176
Retained earnings	236,486	214,448
<b>Equity attributable to shareholders of the Bank</b>	<b>944,346</b>	<b>866,607</b>
Equity attributable to non-controlling interests of ordinary shares	9,289	8,763
Equity attributable to non-controlling interests of other equity instruments	3,225	3,258
<b>Non-controlling interests</b>	<b>12,514</b>	<b>12,021</b>
<b>Total equity</b>	<b>956,860</b>	<b>878,628</b>
<b>Total equity and liabilities</b>	<b>11,472,623</b>	<b>10,697,616</b>



### (III) Unaudited Condensed Consolidated Statement of Cash Flows

*(All amounts expressed in millions of RMB unless otherwise stated)*

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net Profit before tax:	<b>69,419</b>	57,515
Adjustments for:		
Provision for impairment losses	<b>52,428</b>	51,914
Provision for other assets impairment losses	<b>418</b>	156
Provision for insurance contracts reserve	<b>12,426</b>	10,652
Depreciation and amortisation	<b>11,028</b>	10,990
Reversal for outstanding litigation and unsettled obligation	<b>(221)</b>	(34)
Net gains on the disposal of property, equipment and other assets	<b>(351)</b>	(230)
Interest income from financial investments	<b>(65,429)</b>	(68,592)
Interest income from impaired financial assets	<b>(974)</b>	(1,140)
Fair value gains	<b>(263)</b>	(1,539)
Share of profit of associates and joint ventures	<b>(170)</b>	(143)
Net gains arising from financial investments	<b>(1,030)</b>	(2,142)
Interest expense on debt securities issued	<b>12,277</b>	10,567
	<hr/>	<hr/>
Operating cash flows before movements in operating assets and liabilities	<b>89,558</b>	67,974
	<hr/>	<hr/>
Net (increase)/decrease in balances with central banks	<b>(11,114)</b>	37,044
Net (increase)/decrease in due from and placements with banks and other financial institutions	<b>(99,070)</b>	22,693
Net increase in financial assets at fair value through profit or loss	<b>(102,458)</b>	(95,428)
Net increase in loans and advances to customers	<b>(653,577)</b>	(551,983)
Net increase in other assets	<b>(10,628)</b>	(7,995)
Net increase/(decrease) in due to and placements from banks and other financial institutions	<b>36,479</b>	(114,014)
Net increase in financial liabilities at fair value through profit or loss	<b>3,157</b>	2,426
Net increase in due to customers and certificates of deposits issued	<b>550,276</b>	799,120
Net increase in other liabilities	<b>66,728</b>	34,956
Net increase in value-added tax and surcharge payable	<b>1,464</b>	235
Income tax paid	<b>(6,833)</b>	(10,835)
	<hr/>	<hr/>
<b>Net cash flows generated from operating activities</b>	<b>(136,018)</b>	184,193
	<hr/>	<hr/>

(All amounts expressed in millions of RMB unless otherwise stated)

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from investing activities:</b>		
Cash payments for financial investments	(740,663)	(793,018)
Cash received on disposal or redemption of financial investments	655,069	607,780
Dividends received	2,763	1,390
Interest received from financial investments	64,661	72,023
Cash payments for acquisition of intangible assets and other assets	(1,308)	(940)
Cash received on disposal of intangible assets and other assets	388	245
Cash payments for purchase and construction of property and equipment	(10,639)	(19,231)
Cash received on disposal of property and equipment	3,066	7,880
<b>Net cash flows generated from investing activities</b>	<b>(26,663)</b>	<b>(123,871)</b>
<b>Cash flows from financing activities:</b>		
Cash received from issuing other equity instruments	41,498	33,456
Cash received on debt securities issued	93,349	136,513
Repayment of principals and interests of lease liabilities	(1,791)	(1,792)
Cash payment for distribution of dividends	(28,351)	(27,785)
Repayment of principals of debt securities issued	(17,693)	(25,286)
Cash payments for interests on debt securities	(7,996)	(5,772)
Cash payments for redemption of other equity instruments	–	(17,125)
Dividends and others paid to non-controlling interests	(556)	(146)
<b>Net cash flows generated from financing activities</b>	<b>78,460</b>	<b>92,063</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,374)</b>	<b>(1,638)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(85,595)</b>	<b>150,747</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>307,120</b>	<b>167,735</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>221,525</b>	<b>318,482</b>
Net cash flows from operating activities include:		
Interest received	216,761	210,701
Interest paid	(130,588)	(150,449)

## APPENDIX II ASSESSMENT INDICATORS OF DOMESTIC SYSTEMATIC IMPORTANCE, CAPITAL ADEQUACY RATIO, LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO

### I Assessment Indicators of Domestic Systematic Importance

In October 2021, the People's Bank of China (the "PBOC") and the China Banking and Insurance Regulatory Commission (the "CBIRC") published the list of domestic banks of systematic importance, in which the Bank was included. According to the *Administrative Measures for the Assessment on Banks of Systematic Importance* issued by the PBOC and the CBIRC, as at 31 December 2020, all the assessment indicators of systematic importance of the Group are as follows.

(in ten thousands of RMB unless otherwise stated)

Level 1 Indicators	Level 2 Indicators	The Group	
Scale	Balance of on- and off-balance sheet assets after adjustment	1,150,260,441	
Relevance	Assets from banks and financial institutions	101,310,600	
	Liabilities to banks and financial institutions	193,469,705	
	Securities and other financing instruments issued	212,837,298	
Fungibility	Payments settled through payment system or correspondent bank	18,671,028,622	
	Assets in custody	960,544,094	
	Agency and consignment business	193,704,329	
	Number of customers	Number of corporate customers	1,948,635
	and number of	Number of individual customers	178,682,919
	domestic operating branches	Number of domestic operating branches	2,929
Complexity	Derivatives	556,254,509	
	Securities at fair value	74,268,250	
	Assets of non-banking affiliates	49,337,191	
	Wealth management business	Balance of non-principal guaranteed wealth management products issued by the Bank	57,464,462
		Balance of wealth management products issued by wealth management subsidiaries	53,379,662
	Overseas debts and liabilities	151,261,255	

*Note:* Calculated upon the standards of the *Administrative Measures for the Assessment on Banks of Systematic Importance (Yinfa (2020) No. 289)*, the data of some indicators differs from both the data in the 2020 Annual Report and the data of the assessment indicators of global systematic importance.

## II Capital Adequacy Ratio

The Group calculated the capital adequacy ratio pursuant to the *Administrative Measures for the Capital Management of Commercial Banks (Trial Implementation)* issued by the CBIRC and the relevant requirements. Since the adoption of the Advanced Approach of Capital Management upon the first approval of the CBIRC in 2014, the Bank has steadily implemented and applied it in accordance with the regulatory requirements. Upon the approval of the CBIRC in 2018, the Bank ended the Advanced Approach of Capital Management parallel period and expanded the application scope.

As at the end of the Reporting Period, the Group's capital adequacy ratio, tier-1 capital adequacy ratio and core tier-1 capital adequacy ratio were 15.75%, 13.14% and 10.68% respectively, which all met the regulatory requirements.

	<i>(in millions of RMB unless otherwise stated)</i>			
	<b>30 September 2021</b>		<b>31 December 2020</b>	
	<b>The Group</b>	<b>The Bank</b>	<b>The Group</b>	<b>The Bank</b>
Net core tier-1 capital	<b>763,693</b>	<b>641,632</b>	727,611	614,452
Net tier-1 capital	<b>940,024</b>	<b>816,422</b>	862,221	747,744
Net capital	<b>1,126,789</b>	<b>995,701</b>	1,021,246	900,694
Core tier-1 capital adequacy ratio (%)	<b>10.68</b>	<b>10.04</b>	10.87	10.21
Tier-1 capital adequacy ratio (%)	<b>13.14</b>	<b>12.78</b>	12.88	12.42
Capital adequacy ratio (%)	<b>15.75</b>	<b>15.59</b>	15.25	14.96

*Notes:*

- (1) The above calculation excluded China BoCom Insurance Co., Ltd. and BoCommLife Insurance Company Limited.
- (2) According to the implementation scope of the Advanced Approach of Capital Management approved by the CBIRC, the credit risk which met the regulatory requirements was assessed by the internal rating-based approach, the market risk was assessed by the internal model approach, and the operational risk was assessed by the standardised approach. The credit risk not covered by the internal rating-based approach was assessed by the weighted approach. The market risk not covered by the internal model approach was assessed by the standardised approach. The operational risk not covered by the standardised approach was assessed by the basic indicator approach.

### III Leverage Ratio

The Group calculated the leverage ratio pursuant to the *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* issued by the CBIRC. As at the end of the Reporting Period, the Group's leverage ratio was 7.58%, which met the regulatory requirements.

	<i>(in millions of RMB unless otherwise stated)</i>			
	<b>30 September 2021</b>	30 June 2021	31 March 2021	31 December 2020
Net tier-1 capital	<b>940,024</b>	919,374	884,862	862,221
Balance of adjusted on- and off- balance sheet assets	<b>12,402,546</b>	12,283,568	11,984,683	11,502,604
Leverage ratio (%)	<b>7.58</b>	7.48	7.38	7.50

### IV Liquidity Coverage Ratio

According to the *Administrative Measures for the Liquidity Risk Management of Commercial Banks* issued by the CBIRC, commercial banks with an asset scale not less than RMB200.0 billion should always meet the minimum regulatory standards with a liquidity coverage ratio not less than 100%.

According to the *Administrative Measures for the Liquidity Coverage Ratio Information Disclosure of Commercial Banks* issued by the CBIRC, commercial banks should disclose the daily average of the quarterly liquidity coverage ratio. The daily average liquidity coverage ratio of the Group in the third quarter of 2021 was 123.29% (the number of daily data on which the average is based is 92), which decreased by 2.34 percentage points over the previous quarter and was mainly due to the increase of net cash outflows. The details of liquidity coverage ratio and the average of specific items thereof in the third quarter are listed as follows:

(in millions of RMB unless otherwise stated)

Serial Number	Amount before conversion	Amount after conversion
<b>Qualified high-quality liquid assets</b>		
1 Qualified high-quality liquid assets		1,990,964
<b>Cash Outflow</b>		
2 Retail deposits, small business deposits, including:	2,224,384	213,202
3 Stable deposit	182,582	9,022
4 Less stable deposit	2,041,802	204,180
5 Unsecured wholesale funding, including:	4,672,856	1,936,207
6 Business relationship deposit (excluding agency business)	2,641,205	659,043
7 Non-business relationship deposit (including all counterparties)	2,029,713	1,275,226
8 Unsecured debts	1,938	1,938
9 Secured funding		6,080
10 Other items, including:	1,916,252	995,701
11 Cash outflow related to derivatives and other collateral/pledged assets	957,767	942,970
12 Cash outflow related to loss of funding on asset-blocked securities	321	321
13 Committed credit and liquidity facilities	958,164	52,410
14 Other contractual obligation to extend funds	61,239	61,239
15 Contingent funding obligations	1,700,282	61,299
16 Total expected cash outflow		3,273,728
<b>Cash Inflow</b>		
17 Secured lending (including reverse repos and securities borrowing)	137,286	136,394
18 Inflows from fully performing exposure	885,301	600,749
19 Other cash inflow	980,166	959,047
20 Total expected cash inflow	2,002,753	1,696,190
	<b>Amount after adjustment</b>	
21 Qualified high-quality liquid assets		1,967,316
22 Net cash outflow		1,577,538
23 Liquidity coverage ratio (%)		123.29