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Industrial and Commercial Bank of China Limited

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

Industrial and Commercial Bank of China Limited, Hong Kong Branch
U.S.$1,000,000,000 1.625 per cent. Notes due 2026
(the "Hong Kong Branch USD Notes")

Industrial and Commercial Bank of China Limited, Singapore Branch
U.S.$1,050,000,000 1.00 per cent. Notes due 2024
(the "Singapore Branch USD Notes")

Industrial and Commercial Bank of China Limited, Luxembourg Branch
EUR500,000,000 0.125 per cent. Notes due 2024
(the "EUR Notes")

Industrial and Commercial Bank of China Limited, London Branch
GBP250,000,000 1.625 per cent. Notes due 2025
(the "GBP Notes")

and

Industrial and Commercial Bank of China Limited, Macau Branch
MOP2,000,000,000 0.60 per cent. Notes due 2023
(the "MOP Notes")

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

This drawdown offering circular (the "**Drawdown Offering Circular**") is supplemental to the original offering circular dated 27 May 2021 (the "**Original Offering Circular**" and together with this Drawdown Offering Circular, the "**Offering Circular**") and is prepared in connection with the issues of (1) the U.S.$1,000,000,000 1.625 per cent. Notes due 2026 (the "**Hong Kong Branch USD Notes**") by Industrial and Commercial Bank of China Limited, Hong Kong Branch (the "**Hong Kong Branch Issuer**"), (2) the U.S.$1,050,000,000 1.00 per cent. Notes due 2024 (the "**Singapore Branch USD Notes**") by Industrial and Commercial Bank of China Limited, Singapore Branch (the "**Singapore Branch Issuer**"), (3) the EUR500,000,000 0.125 per cent. Notes due 2024 (the "**EUR Notes**") by Industrial and Commercial Bank of China Limited, Luxembourg Branch, the Luxembourg branch of Industrial and Commercial Bank of China Limited, having its registered address at 32, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B72531 (the "**Luxembourg Branch Issuer**"), (4) the GBP250,000,000 1.625 per cent. Notes due 2025 (the "**GBP Notes**") by Industrial and Commercial Bank of China Limited, London Branch (the "**London Branch Issuer**") and (5) the MOP2,000,000,000 0.60 per cent. Notes due 2023 (the "**MOP Notes**") by Industrial and Commercial Bank of China Limited, Macau Branch (the "**Macau Branch Issuer**"), each under the U.S.$20,000,000,000 Global Medium Term Note Programme (the "**Programme**") established by Industrial and Commercial Bank of China Limited (the "**Bank**").

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

Each series of Notes is further intended (i) to be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"); (ii) to be listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); (iii) (in case of all series of Notes other than the MOP Notes) to be admitted to listing on the Official List of the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) (the "**LuxSE**") and to trading on the LuxSE's Euro MTF market and, in case of the MOP Notes, to be admitted to listing on the Securities Official List of the LuxSE (the "**LuxSE SOL**") without admission to trading on one of the markets operated by the LuxSE; (iv) to be admitted to trading on the International Securities Market of the London Stock Exchange plc (the "**London Stock Exchange**"); (v) to be listed on Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**", and together with the Hong Kong Stock Exchange, SGX-ST, LuxSE and the London Stock Exchange, the "**Stock Exchanges**"). Each series of Notes will also be displayed on (i) the Sustainable Bond Market of the London Stock Exchange; and (ii) the Luxembourg Green Exchange of the LuxSE. The listing and admission to trading (where applicable) on the Stock Exchanges are expected to become effective on or around 29 October 2021. Further details on the listing of each series of Notes on the Stock Exchanges are set out below.

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

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

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

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this document. Admission of the Notes on the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank, their respective subsidiaries, their respective affiliates or the Notes. The debt issue is traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

Application has been made to the LuxSE to approve this Drawdown Offering Circular as a prospectus in accordance with Part IV of the Luxembourg Law on Prospectuses for Securities of 16 July 2019, to list the Notes (other than the MOP Notes) on the official list of the LuxSE (the "**Official List**") and to admit the Notes (other than the MOP Notes) to trading on the professional segment of the Euro MTF market which is a market operated by the LuxSE (the "**Euro MTF Market**"). The Euro MTF market is not a regulated market pursuant to the provisions of Directive 2014/65/EU (as amended, "**MiFID II**"). Application has been made to the LuxSE for the MOP Notes to be listed on the LuxSE SOL, without admission to trading on one of the securities markets operated by the LuxSE. Application has also been made to the LuxSE to display the Notes on the Luxembourg Green Exchange (the "**LGX**") platform.

This Drawdown Offering Circular does not constitute a prospectus for the purposes of Article 3 of Regulation (EU) 2017/1129.

This Drawdown Offering Circular will be published on the website of the LuxSE (www.bourse.lu). For the avoidance of doubt, the content of the website(s) included in this Drawdown Offering Circular is for information purposes only and does not form part of this Drawdown Offering Circular.

The LuxSE assumes no responsibility on the correctness of any of the statements made or opinions expressed or reports contained in this Drawdown Offering Circular. Admission to trading on the professional segment of the Euro MTF Market and listing on the Official List of the LuxSE (in case of all series of Notes other than the MOP Notes) and admission to listing on the LuxSE SOL (in case of the MOP Notes) is not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank or the Notes.

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

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

Application has been made to MOX for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular nos. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao, which are (i) individuals that have a portfolio of not less than MOP$8,000,000, or (ii) corporations or partnerships that have either a portfolio of not less than MOP$8,000,000 or total assets of not less than MOP$40,000,000) (the "**Macao Professional Investors**") only. This Drawdown Offering Circular is for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

MOX has not reviewed the contents of this Drawdown Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Drawdown Offering Circular to Professional Investors only have been reproduced in this Drawdown Offering Circular. Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the relevant Branch Issuer, the Bank or the quality of disclosure in this Drawdown Offering Circular. MOX takes no responsibility for the contents of this Drawdown Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Drawdown Offering Circular. Potential investors should exercise caution before making investment decisions.

This Drawdown Offering Circular includes particulars given in compliance with the Guidelines on Management of Corporate Bond Issuance and Trading (circular no. 008/B/2021-DSB/AMCM) and Guidelines on Underwriting and Custody of Corporate Bond (circular no. 009/B/2019-DSB/AMCM) issued by the Monetary Authority of Macau for the purpose of giving information with regard to the relevant Branch Issuer. Each Branch Issuer accepts full responsibility for the accuracy of the information contained in this Drawdown Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Pursuant to the MOX rules, all requirements of the MOX service for the time being applicable to a MOX participant include all the obligations for the time being applicable to a MOX participant under or by virtue of the applicable MOX regulations.

The requirements in relation the Macao Professional Investors above and in this Drawdown Offering Circular shall be construed as relating to offers and sales of the Notes in Macau only.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Regulation S under the Securities Act). The Notes are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act. For a description of certain further restrictions on offers and sales of the Notes and the distribution of this Drawdown Offering Circular, see the section entitled "*Subscription and Sale*" on pages 213 to 221 of the Original Offering Circular and page 36 of this Drawdown Offering Circular.

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

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

See the section entitled "*Risk Factors*" of the Original Offering Circular and the section entitled "*Risk Factor for Notes Being Issued as "Carbon Neutrality" Themed Green Bonds*" of Chapter One of this Drawdown Offering Circular for a discussion of certain factors to be considered in connection with an investment in Notes and the section entitled "*Risk Factors*" of each of the other Chapters of this Drawdown Offering Circular for a discussion of certain additional factors to be considered in connection with an investment in the relevant series of the Notes.

Drawdown Offering Circular dated 21 October 2021

IMPORTANT NOTICE

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

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

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

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

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

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

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

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

"**Joint Lead Managers**" means, together, (i) the Joint Lead Managers for the Hong Kong Branch USD Notes, (ii) the Joint Lead Managers for the Singapore Branch USD Notes, (iii) the Joint Lead Managers for the EUR Notes, (iv) the Joint Lead Managers for the GBP Notes and (v) the Joint Lead Managers for the MOP Notes;

"**Joint Lead Managers for the Hong Kong Branch USD Notes**" means Industrial and Commercial Bank of China (Asia) Limited, ICBC International Securities Limited, ICBC Standard Bank Plc, Industrial and Commercial Bank of China (Europe) S.A., Industrial and Commercial Bank of China Limited, London Branch, Industrial and Commercial Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China (Macau) Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of China Limited, Bank of China (Hong Kong) Limited, BNP Paribas, China Construction Bank (Asia) Corporation Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, Citigroup Global Markets Limited, CMB Wing Lung Bank Limited, Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank, UBS AG Hong Kong Branch, Bank of Communications Co., Ltd. Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, CMBC Securities Company Limited, Commonwealth Bank of Australia, Industrial Bank Co., Ltd. Hong Kong Branch, KDB Asia Limited, Merrill Lynch (Asia Pacific) Limited and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch;

"**Joint Lead Managers for the Singapore Branch USD Notes**" means Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, ICBC International Securities Limited, ICBC Standard Bank Plc, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China (Macau) Limited, SMBC Nikko Securities (Hong Kong) Limited, Standard Chartered Bank (Singapore) Limited, Agricultural Bank of China Limited Hong Kong Branch, Agricultural Bank of China Limited, Singapore Branch, Australia and New Zealand Banking Group Limited, Bank of China (Hong Kong) Limited, Bank of China Limited, Singapore Branch, Bank of Communications Co., Ltd. Hong Kong Branch, The Bank of East Asia, Limited, China Construction Bank (Asia) Corporation Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Citigroup Global Markets Limited, CLSA Singapore Pte Ltd, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, E.SUN Commercial Bank Ltd., First Abu Dhabi Bank PJSC, Guotai Junan Securities (Hong Kong) Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Malayan Banking Berhad, Mirae Asset Securities (Singapore) Pte. Ltd., MUFG Securities Asia Limited, National Australia Bank Limited (ABN 12 004 044 937), Oversea-Chinese Banking Corporation Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SPDB International Capital Limited, United Overseas Bank Limited and Zhongtai International Securities (Singapore) Pte. Ltd;

"**Joint Lead Managers for the EUR Notes**" means Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, ICBC International Securities Limited, Natixis, Société Générale, Bank of China Limited, Luxembourg Branch, Banque Internationale à Luxembourg SA, China Construction Bank (Europe) S.A., China International Capital Corporation Hong Kong Securities Limited, Coöperatieve Rabobank U.A., Deutsche Bank Aktiengesellschaft, ICBC Standard Bank Plc, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Europe) S.A, Industrial and Commercial Bank of China (Macau) Limited, Skandinaviska Enskilda Banken AB (publ) and UBS AG London Branch;

"**Joint Lead Managers for the GBP Notes**" means Barclays Bank PLC, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, ICBC Standard Bank Plc, Standard Chartered Bank, Bank of China Limited, London Branch, BNP Paribas, China Zheshang Bank Co., Ltd. (Hong Kong Branch), CMBC Securities Company Limited, DBS Bank Ltd., ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited and J.P. Morgan Securities PLC; and

"**Joint Lead Managers for the MOP Notes**" means Industrial and Commercial Bank of China (Macau) Limited, Industrial and Commercial Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Europe) S.A, ICBC International Securities Limited, Bank of China Limited, Macau Branch, Agricultural Bank of China Limited Macao Branch, China Construction Bank Corporation Macau Branch, Bank of Communications Co., Ltd. Macau Branch, Banco Nacional Ultramarino S.A., Luso International Banking Ltd., China Guangfa Bank Co., Ltd., Macau Branch and The Macau Chinese Bank Limited.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC, Singapore and Macau, and to persons connected therewith. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may only be offered or sold outside the United States, or to, or for the account or benefit of, non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of the Offering Circular, see the section entitled "*Subscription and Sale*" on pages 213 to 221 of the Original Offering Circular and page 36 of this Drawdown Offering Circular.

No person has been authorised by the Branch Issuers or the Group to give any information or to make any representation not contained in or not consistent with this Drawdown Offering Circular or any other document entered into in relation to the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Branch Issuers, the Group or the Joint Lead Managers.

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

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

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

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

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

None of the Joint Lead Managers, any Agents (as defined in the Terms and Conditions of the relevant series of the Notes) or Luso International Banking Ltd. (the "**MOP Notes Trustee**" or the "**Trustee**") has separately verified the information contained in this Drawdown Offering Circular. To the fullest extent permitted by law, none of the Joint Lead Managers, any Agent or the MOP Notes Trustee, or any director, officer, employee, representative, adviser, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Drawdown Offering Circular. To the fullest extent permitted by law, none of the Joint Lead Managers, any Agent or the MOP Notes Trustee or any director, officer, employee, representative, adviser, agent or affiliate of any such person accepts any responsibility for the contents of this Drawdown Offering Circular or for any other statement made or purported to be made by any Joint Lead Managers, any Agent or the MOP Notes Trustee, or any director, officer, employee, representative, adviser, agent or affiliate of any such person or on its behalf in connection with the Bank, the Branch Issuers, the Group, the Notes, or the issue and offering of the Notes. Each Joint Lead Manager, the MOP Notes Trustee and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Drawdown Offering Circular or any such statement.

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

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

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Drawdown Offering Circular. Any representation to the contrary is a criminal offence in the United States.

If a jurisdiction requires that the offering of a series of Notes is made by a licensed broker or dealer and any of the relevant Joint Lead Managers or any affiliate of the relevant Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the relevant Branch Issuer in such jurisdiction.

PRESENTATION OF INFORMATION

The section entitled "Presentation of Information" of the Original Offering Circular shall be deleted in its entirety and replaced by the following:

Certain monetary amounts set out in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be the arithmetic sums of the figures that precede them. In this Offering Circular, references to "U.S. dollars", "U.S.$" or "USD" are to United States dollars, the lawful currency of the United States, references to "Sterling" and "£" are to the lawful currency of the United Kingdom, references to "Euro", "EUR" or "€" are to the lawful currency of the Eurozone, references to "RMB" or "Renminbi" are to the lawful currency of the PRC, references to "Hong Kong dollars", "HKD" or "HK$" are to Hong Kong dollars, the lawful currency of Hong Kong, references to "MOP" or "MOP$" are to Macau pataca, the lawful currency of Macau, references to "MXN" are to Mexican Pesos, the lawful currency of Mexico, references to "MYR" are to Malaysian ringgit, the lawful currency of Malaysia, references to "IDR" are to Indonesian rupiah, the lawful currency of Indonesia, references to "THB" are to Thai baht, the lawful currency of Thailand, references to "KZT" are to Kazakhstani tenge, the lawful currency of Kazakhstan, references to "NZD" are to New Zealand dollars, the lawful currency of New Zealand, references to "RUB" are to Russian rubles, the lawful currency of Russia, references to "CAD" are to Canadian dollars, the lawful currency of Canada, references to "ARS" are to Argentine pesos, the lawful currency of Argentina, references to "BRL" are to Brazilian real, the lawful currency of Brazil, references to "ZAR" are to South African rand, the lawful currency of South Africa and references to "JPY" or "Japanese Yen" are to Japanese yen, the lawful currency of Japan and references to "TRY" are to Turkish lira, the lawful currency of Turkey.

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 incorporated by reference in this Drawdown Offering Circular have been prepared and presented in accordance with the International Financial Reporting Standards ("**IFRS**") and have been audited by KPMG.

On 27 September 2021, the Bank published its 2021 interim report, which includes the interim consolidated financial statements of the Group as at and for the six months ended 30 June 2021 (the "**Group's Interim Financial Statements**"), which have been prepared and presented in accordance with the International Accounting Standard ("**IAS**") 34, Interim Financial Reporting and have been reviewed by Deloitte Touche Tohmatsu ("**Deloitte**"), Certified Public Accountants. The Group's Interim Financial Statements have not been audited by Deloitte, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the Group's Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2021. Neither the Joint Lead Managers nor their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of the Group's Interim Financial Statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the financial condition and results of operations of the Group.

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On 1 January 2019, the Bank adopted IFRS 16 – Leases. For the impact of the adoption of IFRS 16 on the Bank, please refer to Note 2(3) "Basis of Preparation – Change in accounting policies – IFRS 16 "Leases"" of the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 incorporated by reference in this Drawdown Offering Circular. The Bank elected to use the modified retrospective approach for the adoption of IFRS 16 under which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. The corresponding financial information as at and for the year ended 31 December 2018 included in the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 has not been restated. The financial information of the Group as at and for the year ended 31 December 2018 incorporated by reference in this Drawdown Offering Circular may not be directly comparable with the financial information of the Group as at and for the years ended 31 December 2019 and 2020 and the financial information of the Group as at and for the period ended 30 June 2021.

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

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

This Drawdown Offering Circular should also be read and construed in conjunction with the following documents which previously have been filed with the Hong Kong Stock Exchange and published on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk/):

- the interim consolidated financial statements of the Group as at and for the six months ended 30 June 2021 together with the Report on Review of Consolidated Financial Statements thereon, as set out on pages 82 to 174 (inclusive) of the 2021 interim report (published on 27 September 2021) of the Bank;

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 together with the Independent Auditor's Report thereon, as set out on pages 140 to 281 (inclusive) of the annual report (published on 23 April 2021) of the Bank for the year ended 31 December 2020; and

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 together with the Independent Auditor's Report thereon, as set out on pages 144 to 290 (inclusive) of the annual report (published on 24 April 2020) of the Bank for the year ended 31 December 2019,

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

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

Copies of all such documents which are incorporated by reference in, and to form part of, this Drawdown Offering Circular will be published on the LuxSE website (www.bourse.lu) and the London Stock Exchange website (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified office of the relevant Issuing and Paying Agent or in the case of the MOP Notes, the relevant Principal Paying Agent. For the avoidance of doubt, the contents of the websites of the Hong Kong Stock Exchange, the LuxSE and the London Stock Exchange do not form part of this Drawdown Offering Circular.

The section entitled "*Documents Incorporated by Reference*" of the Original Offering Circular shall not form part of this Drawdown Offering Circular.

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ANNEX I ORIGINAL OFFERING CIRCULAR DATED 27 MAY 2021 . . . . . A-1

CHAPTER ONE
THE BANK

RECENT DEVELOPMENTS

ISSUANCE OF UNDATED ADDITIONAL TIER 1 CAPITAL BONDS IN THE OFFSHORE MARKET

Reference is made to the section entitled "Recent Developments – Proposed Issuance of Undated Additional Tier 1 Capital Bonds in Foreign Currency in the Offshore Market and Extension of the Validity Period of its Authorisation to the Issuance" on page 154 of the Original Offering Circular. The last paragraph in that section should be deleted entirely and replaced with the following:

On 24 September 2021, the Bank issued U.S$6.16 billion undated additional tier 1 capital bonds in the offshore market. The net proceeds of the issuance, after deduction of the commissions and expenses relating to the issuance, will be counted as the additional tier 1 capital of the Bank in accordance with relevant regulatory requirements.

ISSUANCE OF UNDATED ADDITIONAL TIER 1 CAPITAL BONDS IN THE DOMESTIC MARKET

Reference is made to the section entitled "Recent Developments – Proposed Issuance of Undated Additional Tier 1 Capital Bonds in the Domestic Market" on page 153 of the Original Offering Circular. The following paragraph shall be inserted after the last paragraph on page 153:

In June 2021, the Bank issued undated additional tier 1 capital bonds of RMB70 billion in China's national inter-bank bond market. All proceeds from this issuance, after deduction of issuance expenses, will be used to replenish the Bank's additional tier 1 capital in accordance with applicable laws and approvals by the regulatory authorities.

ISSUANCE PROGRESS OF TIER 2 CAPITAL BONDS

Reference is made to the section entitled "Recent Developments – Proposed Issuance of Eligible Tier 2 Capital Instruments" on page 153 of the Original Offering Circular. The paragraph following the section header shall be deleted and replaced with the following in entirety:

The Bank considered and approved the proposal on the issuance of eligible tier 2 capital instruments with a write-off feature in domestic and offshore markets of an amount not more than RMB190 billion or an equivalent value in foreign currency at its 2020 annual general meeting held on 21 June 2021.

The actual issuance of the tier 2 capital instruments of the Bank is subject to further approvals from other relevant regulatory authorities as well as market conditions.

MAJOR RECENT ISSUANCES

In September 2021, the Bank issued the 2021 green bonds (first tranche) of RMB10 billion in China's national inter-bank bond market. All proceeds from this issuance, after deduction of issuance expenses, will be used on the green industry projects as set out in the Green Bond Endorsed Projects Catalogue (2021 Edition) in accordance with applicable laws and approvals by the regulatory authorities.

COVID-19 IMPACT AND RESPONSE

In 2020, the global economy was largely impacted by the COVID-19 pandemic. In order to overcome the impact of the COVID-19 pandemic and changes to the external environment on our businesses and help our clients and the society to overcome such difficult times together, we have put in place a number of methods.

In 2020, we actively implemented the fee reduction and profit concession policies, increased the support of financial services for the real economy, strengthened risk prevention and control in order to maintain prudential operation and development of our businesses.

We also timely adjusted our credit strategy to support the development of the real economy and meet the funding demands for prevention and control of the COVID-19 pandemic, resumption of work and production, emergency loans and deferral of repayment of principal and interest which helped enterprises affected by the COVID-19 pandemic to relieve some of their temporary operational difficulties.

In responses to the COVID-19 pandemic, we actively provided our customers with more digital and contactless customer services. Our offline intelligent self-service channels can now be used to handle 299 types of personal and corporate services, including more than 130 "medialess" services, covering most services that are frequently used by our customers.

In addition, we actively invested in bonds issued by issuers from areas affected by the COVID-19 pandemic and bonds whose proceeds will be mainly used for COVID-19 pandemic prevention and control, in order to provide strong financing support for the COVID-19 pandemic prevention and control.

Although China has managed to control the COVID-19 pandemic effectively, in 2021, the control and vaccination against COVID-19 remain the major factors affecting economic recovery across the world. We will continue to closely monitor the evolving situation of COVID-19, evaluate and proactively assess and respond to its impact on our financial position and operating results. For further information, please refer to the following risk factors in the section "*Risk Factors – Risks Relating to Our Loans, Deposits and Investments – Our business is inherently subject to market fluctuations and general economic conditions, particularly in the PRC.*" and "*Risk Factors – Risks Relating to the PRC – Any future occurrence of natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on our business, financial condition and results of operations*" of the Original Offering Circular.

2021 INTERIM REPORT

On 27 September 2021, the Group published its 2021 interim report on the website of the Hong Kong Stock Exchange. The 2021 interim report contains the Group's Interim Financial Statements prepared by the Bank in accordance with IAS 34 which have been reviewed by Deloitte.

Overview of Business Operation

The year of 2021 marks the 100th anniversary of the founding of the Communist Party of China. Around this historic point of advancing from the first centenary goal to the second one, the Bank followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhered to the general principle of pursuing progress while ensuring stability, and comprehensively implemented the decisions of the Chinese Communist Party (the "**CCP**") Central Committee and the State Council. It focused on the new development stage, acted on the new development philosophy, and served the new development paradigm, in an endeavour to promote the high-quality development. In accordance with the "48-character" guideline, the Bank took solid steps to advance the implementation of new development plan, maintaining a good momentum of steady growth in operation and delivering an interim result which was better than expected and than that of the same period of last year.

In terms of operational indicators, the foundation for stability is growing more solid. In the first half of 2021, the Group's operating income reached RMB426.4 billion, indicating an increase of 6.0 per cent. compared to the same period of last year; its profit before provision hit RMB332.6 billion, representing an increase of 5.7 per cent. compared to the same period of last year; and its net profit amounted to

RMB164.5 billion, an increase of 9.8 per cent. compared to the same period of last year. As at 30 June 2021, the Group's NPL ratio stood at 1.54 per cent., decreasing by 0.04 percentage points from the end of last year; allowance to NPLs reached 191.97 per cent., increasing by 11.29 percentage points from the end of last year; and capital adequacy ratio was 17.01 per cent., increasing by 0.13 percentage points from the end of last year. Both return on average total assets and return on weighted average equity stayed higher than the same period of last year. The steady improvement in these main indicators, on the one hand, benefited from the base effect of last year, and on the other hand, resulted from continuous efforts in promoting the high-quality development.

In terms of serving the real economy, greater progress is being made. The Bank focused on serving the new development paradigm and intensified the support for ensuring stability on six key fronts and maintaining security in six key areas. It made efforts to increase the aggregate investment and financing volumes and to direct the funds towards targeted projects, and actively implemented the fee reduction and profit concession policy. In the first half of 2021, new RMB loans issued by domestic branches reached RMB1.26 trillion, representing an increase of RMB164.4 billion compared to the same period of last year. Net increase in bond investment was RMB318.6 billion, and the amount of debt financing instruments issued by the Bank as the lead underwriter to non-financial enterprises ranked the top in the market. The new financing mainly went to the key areas and weak links of the real economy. Project loans saw an increase of 9.0 per cent., which mainly flowed to the major projects in the 14th Five-Year Plan and other operations involving areas of weakness. The balance of loans to the high tech fields under the key support of the state topped RMB1 trillion. The Bank launched the first "carbon neutrality" bond and the first loan secured by mortgages for carbon emissions rights, with the balance of green loans exceeding RMB2 trillion. The proportion of loans to manufacturing industry including medium to long-term loans kept growing. As at 30 June 2021, the inclusive loans to small and micro enterprises increased by 40.4 per cent. compared to the beginning of the year, of which, the number of first-time borrowers increased by more than 40 per cent. compared to the same period of last year, and the average interest rate of new inclusive loans dropped further. The Bank's "ICBC Xingnongtong" brand came into the market, and the balance of agriculture-related loans exceeded RMB2.5 trillion, demonstrating the Banks' all-out efforts in rural revitalisation. Regulatory requirements have been met by stabilising the granting of property loans and decreasing the proportion to total loans.

In terms of risk control, the good momentum continued. With a balance between development and security, the Bank advanced the construction of the enterprise risk management system with enhanced digital and intelligent controls, striving to forestall and defuse the risks of existing and new loans as well as traditional and non-traditional risks. The Bank implemented the new rules for credit approval in all domestic branches and adopted both temporary and permanent solutions to ensure the quality of credit assets. Thus, the proportion and amount of overdue loans, the price scissors and other indicators continued to improve. The Bank fully implemented the identification and accountability mechanism for risk responsibilities and strengthened internal controls and case prevention. The Bank reinforced the management and control of emerging risks such as climate and model risks, and proactively responded to fluctuations in the global financial market. By doing so, the Bank made the overall risks under control. With a solid concept to save capital, the Group's risk-weighted assets (RWA) grew slower than its loans and assets. The Bank devoted sound and meticulous efforts to pandemic prevention and control, flood protection, disaster relief, etc., with effective measures taken to maintain the safety of personnel and operations.

In terms of transformation and innovation, new stronger drivers are emerging. Following the 14th Five-Year Plan and Long-Range Objectives through the Year 2035, the Bank formulated and implemented a new round of development plan, brought out our strengths to make up for our weaknesses and laid a solid foundation, making more efforts to serve the new development pattern and promote high-quality development. New achievements have been made in personal banking, foreign exchange business, key areas, and urban-rural collaborative development strategy, with a larger number of new growth points and poles taking shape faster. The global institutional network layout saw improvements, the Panama Branch

officially opened, the RMB internationalisation advanced steadily and prudently, and the joint venture wealth management company obtained approval to be established. In the focused areas of data, scenarios, and ecological development, the Bank stepped up digital transformation and initiated innovative pilot programmes for e-CNY business, striving to build itself into a sci-tech bank. As for the areas such as government services and people's well-being, the Bank deepened the government, business and consumption (GBC) interconnection. Focusing on people's "urgent needs, difficulties, worries and expectations", the Bank offered more convenient and favourable financial services. As at the end of June 2021, the Bank served a total of 690 million personal customers and more than 9.20 million corporate customers. The customer system of coordinated development of micro, small, medium and large enterprises continued to improve.

Summary of the 2021 Interim Financial Information

The consolidated statement of profit or loss for the six months ended 30 June 2021 and the consolidated statement of financial position as at 30 June 2021 set forth below are extracted and derived from the Group's interim consolidated financial statements incorporated by reference in this Drawdown Offering Circular. Prospective investors should read the summary financial information set forth below in conjunction with the full Group's interim consolidated financial statements incorporated herein by reference.

The Group's Interim Financial Statements were prepared by the Bank in accordance with IAS 34 which have been reviewed by Deloitte.

Summary Consolidated Statement of Profit or Loss

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

	(In RMB millions, unless otherwise stated)	
	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Net Interest Income	336,293	319,891
Net Fee and Commission Income	75,943	75,558
Net trading income/(expense)	6,047	(1,635)
Net gain on financial investments	2,952	7,987
Other operating income, net	5,171	545
Operating Income	426,406	402,346
Operating expenses	(94,991)	(87,925)
Impairment losses on assets	(124,547)	(125,456)
Operating Profit	206,868	188,965
Share of profits of associates and joint ventures	1,202	386
Profit before taxation	208,070	189,351
Income tax expense	(43,561)	(39,555)
Profit for the period	164,509	149,796
Profit for the period attributable to:		
Equity holders of the parent company	163,473	148,790
Non-controlling interests	1,036	1,006

Summary Consolidated Statement of Financial Position

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

	(In RMB millions, unless otherwise stated)	
	30 June 2021	**31 December 2020**
	(unaudited)	**(audited)**
Assets		
Cash and balances with central banks	3,652,276	3,537,795
Due from banks and other financial institutions	1,018,469	1,081,897
Derivative financial assets	111,102	134,155
Reverse repurchase agreements	1,014,726	739,288
Loans and advances to customers	19,452,291	18,136,328
Financial investments	8,845,650	8,591,139
Investments in associates and joint ventures	43,015	41,206
Property and equipment	283,447	286,279
Deferred income tax assets	74,926	67,713
Other assets	640,382	729,258
Total assets	35,136,284	33,345,058
Liabilities		
Due to central banks	42,668	54,974
Financial liabilities designated as at fair value through profit or loss	88,383	87,938
Derivative financial liabilities	87,505	140,973
Due to banks and other financial institutions	2,977,531	2,784,259
Repurchase agreements	299,476	293,434
Certificates of deposit	305,517	335,676
Due to customers	26,602,333	25,134,726
Income tax payable	61,253	89,785
Deferred income tax liabilities	2,999	2,881
Debt securities issued	781,671	798,127
Other liabilities	840,141	712,770
Total liabilities	32,089,477	30,435,543
Total equity	3,046,807	2,909,515
Total equity and liabilities	35,136,284	33,345,058

Summary of Key Financial and Operating Indicators

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

	Six months ended 30 June 2021	Six months ended 30 June 2020	Six months ended 30 June 2019
Profitability (%)			
Return on average total assets[(1)]	0.96*	0.95*	1.17*
Return on weighted average equity[(2)]	11.90*	11.70*	14.41*
Net interest spread[(3)]	1.93*	2.02*	2.16*
Net interest margin[(4)]	2.12*	2.20*	2.35*
Return on risk-weighted assets[(5)]	1.60*	1.56*	1.91*
Ratio of net fee and commission income to operating income	17.81	18.78	19.41
Cost-to-income ratio[(6)]	21.19	20.76	21.13

	30 June 2021	31 December 2020	31 December 2019
Asset quality (%)			
Non-performing loans ("NPLs") ratio[(7)]	1.54	1.58	1.43
Allowance to NPLs[(8)]	191.97	180.68	199.32
Allowance to total loans ratio[(9)]	2.96	2.85	2.86
Capital adequacy (%)			
Core tier 1 capital adequacy ratio[(10)]	12.90	13.18	13.20
Tier 1 capital adequacy ratio[(10)]	14.28	14.28	14.27
Capital adequacy ratio[(10)]	17.01	16.88	16.77
Leverage Ratio[(11)]	8.05	8.14	8.31
Total equity to total assets ratio	8.67	8.73	8.94
Risk-weighted assets to total assets ratio	59.99	60.35	61.83

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 Regulation Governing Capital of Commercial Banks (Provisional).

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

The Bank's total assets for the six months ended 30 June 2021 increased to RMB35,136,284 million, representing an increase of 5.4 per cent., as compared with the total assets as at 31 December 2020. The total liabilities registered RMB32,089,477 million, representing an increase of 5.4 per cent., as compared with the total liabilities as at 31 December 2020. As at 30 June 2021, the balance of due to customers was RMB26,602,333 million, RMB1,467,607 million or 5.8 per cent. higher than that as at 31 December 2020, which accounted for 82.9 per cent. of the Bank's total liabilities. In terms of customer structure, the balance due customers can be categorised into the balance of corporate deposits, personal deposits, other deposits and accrued interest. As at 30 June 2021, the balance of corporate deposits, personal deposits, other deposits and accrued interest was RMB13,514,669 million, RMB12,487,160 million, RMB290,810 million and RMB309,694 million, respectively. As at 30 June 2021, in terms of maturity structure, the balance of time deposits stood RMB12,745,066 million whereas the balance of demand deposits stood at RMB13,256,763 million. In addition, as at 30 June 2021, the balance due to banks and other financial institutions, repurchase agreements, debt securities issued and other liabilities was RMB2,977,531 million, RMB299,476 million, RMB781,671 million and RMB1,428,466 million, accounting for 9.3 per cent., 0.9 per cent., 2.4 per cent., 4.5 per cent. of the Bank's total liabilities, respectively. As at 30 June 2021, the total loans and advances to customers stood at RMB19,996,767 million, RMB1,372,459 million or 7.4 per cent. higher compared with the end of the previous year.

In the first half of 2021, the Bank carried out fee reduction and profit concessions and other policy requirements, actively supported the development of the real economy, and maintained steady business overall. As a result, the Bank reported positive growth in its operating income, profit before provision, net profit and net interest income. During the six months ended 30 June 2021, the operating income amounted to RMB426,406 million, recording an increase of 6.0 per cent. as compared to the same period of last year. During the six months ended 30 June 2021, the profit before provision hit RMB332.6 billion, representing an increase of 5.7 per cent. as compared to the same period of last year. During the six months ended 30 June 2021, the Bank realised a net profit of RMB164,509 million, representing an increase of 9.8 per cent. as compared to the same period of last year. During the six months ended 30 June 2021, the net interest income amounted to RMB336,293 million, representing an increase of RMB16,402 million or 5.1 per cent. compared to the same period of last year.

As at 30 June 2021, NPLs amounted to RMB307,831 million, showing an increase of RMB13,853 million compared to the end of the previous year, and NPL ratio was 1.54 per cent., with a decrease of 0.04 percentage points compared to the end of the previous year. As at 30 June 2021, the allowance to NPLs was 191.97 per cent., representing an increase of 11.29 percentage points over the end of last year. In addition, as at 30 June 2021, special mention loans amounted to RMB385,357 million, representing a decrease of RMB26,543 million and accounting for 1.93 per cent. of total loans, representing a decrease of 0.28 per cent. from 31 December 2020. As at 30 June 2021, overdue loans stood at RMB266,779 million, representing a drop of RMB728 million from 31 December 2020 and accounting for 1.33 per cent. of the Bank's total loans.

As at 30 June 2021, the Bank's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 12.90 per cent., 14.28 per cent. and 17.01 per cent. respectively, complying with regulatory requirements. As at 30 June 2021, the capital adequacy ratio was 17.01 per cent., increasing by 0.13 percentage points from the end of last year. As at 30 June 2021, the leverage ratio was 8.05 per cent., decreasing by 0.09 percentage point from the end of last year.

Both return on average total assets and return on weighted average equity stayed higher than the same period of last year. In the first half of 2021, the annualised return on average total assets stood at 0.96 per cent., increasing by 0.01 percentage points from 30 June 2020. In the first half of 2021, annualised return on weighted average equity was 11.90 per cent., increasing by 0.2 percentage points from 30 June 2020.

During the six months ended 30 June 2021, the Bank set aside the impairment losses on assets of RMB124,547 million, a decrease of RMB909 million or 0.7 per cent. as compared to the same period of last year. Specifically, the impairment losses on loans was RMB102,257 million, indicating a decrease of RMB9,448 million or 8.5 per cent.

Segment Information

For management purposes, the Group is organised into different operating segments, namely corporate banking, personal banking, treasury operations and other, based on internal organisation structure, management requirement and internal reporting system. Below is a summary of the segment information for the six months ended 30 June 2021.

Summary Operating Segment Information

In RMB millions, except for percentages

	Six months ended 30 June 2021		Six months ended 30 June 2020	
		Percentage		Percentage
Item	**Amount**	**(%)**	**Amount**	**(%)**
Operating income	426,406	100.0	402,346	100.0
Corporate banking	205,969	48.3	200,773	49.9
Personal banking	169,370	39.7	156,888	39.0
Treasury operations	48,889	11.5	42,476	10.6
Other	2,178	0.5	2,209	0.5
Profit before taxation	208,070	100.0	189,351	100.0
Corporate banking	72,846	35.0	77,613	41.0
Personal banking	97,294	46.8	78,123	41.3
Treasury operations	37,627	18.1	34,301	18.1
Other	303	0.1	(686)	(0.4)

Summary Geographical Segment Information

In RMB millions, except for percentages

	Six months ended 30 June 2021		Six months ended 30 June 2020	
		Percentage		Percentage
Item	**Amount**	**(%)**	**Amount**	**(%)**
Operating income	426,406	100.0	402,346	100.0
Head Office	67,251	15.8	55,780	13.9
Yangtze River Delta	68,536	16.1	66,464	16.5
Pearl River Delta	53,468	12.5	51,869	12.9
Bohai Rim	73,048	17.1	71,327	17.7
Central China	52,666	12.4	49,843	12.4
Western China	62,990	14.8	60,854	15.1
Northeastern China	14,630	3.4	15,610	3.9
Overseas and other	33,817	7.9	30,599	7.6

	In RMB millions, except for percentages			
	Six months ended 30 June 2021		Six months ended 30 June 2020	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Profit before taxation	208,070	100.0	189,351	100.0
Head Office	19,123	9.2	19,503	10.3
Yangtze River Delta	39,772	19.1	32,900	17.4
Pearl River Delta	27,489	13.2	27,560	14.6
Bohai Rim	39,277	18.9	36,250	19.1
Central China	26,250	12.6	21,386	11.3
Western China	31,891	15.3	29,897	15.8
Northeastern China	3,128	1.5	6,150	3.2
Overseas and other	21,140	10.2	15,705	8.3

Business Development

Implementation Effects of Key Strategies

During the six months ended 30 June 2021, the Bank continued to form the pattern of "bringing out our strengths to make up for our weaknesses and laying a solid foundation". Institutional banking, corporate banking, transaction banking, and settlement as four superior business lines of the Bank continued to grow at high levels and achieved significant results in the coordinated implementation of key strategies.

The No. 1 Personal Bank Strategy was implemented at greater depth, with coordinated advantages appearing gradually. First, there were interactions among government, business and consumption. Second, customer base was further consolidated. As at 30 June 2021, the personal assets under management reached RMB16.6 trillion. As at 30 June 2021, the personal deposits amounted to RMB12,487,160 million, representing an increase of 7.1 per cent. compared with 31 December 2020. As at 30 June 2021, the personal loans amounted to RMB7,575,803 million, representing an increase of 6.5 per cent. compared with 31 December 2020. Third, the fund flow demonstrated the continuously improved activity level. At the end of the six months ended 30 June 2021, the Bank registered 443 million customers of personal mobile banking, and maintained more than 100 million active users of personal mobile banking in the month, putting the Bank in a leading position among peers.

The Urban-Rural Collaborative Development Strategy was deployed at a high level from a high starting point. First, the Bank built a new strategic layout of financial services for rural revitalisation, featuring "urban + countryside", "physical + digital" and "online + offline". As at 30 June 2021, offline channels covered over 85 per cent. of counties nationwide, with rapid growth in personal customers there. Second, investment and financing supply was optimised. The Bank shored up service innovation, launching 150 financing products targeted at agriculture-related industrial chain and supply chain as well as over 60 agriculture-pro products with regional characteristics. Besides, it underwrote rural revitalisation bonds worth RMB15.6 billion. Third, initial achievements have been made in technology empowerment. Progress was made in the coordination of other key strategies. The Preferred Bank Strategy for Domestic Foreign Exchange Business was implemented at greater depth. The Strategy for Sharpening Competitive Edge in Key Regions was advanced steadily. As at 30 June 2021, the Bank posted outstanding loans of various types in five key regions (Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China, and Chengdu-Chongqing region) of over RMB13 trillion.

Development and Innovation in Wealth Management Business

The Bank actively sought to meet the diversified needs of residents for wealth allocation during the transition period to the New Rules on Asset Management, moved faster to integrate and reshape many business chains of the Group such as banking, wealth management, funds, and insurance, and provided customers with one-stop product options and professional investment advisory services, in an effort to create a competitive, sustainable wealth management business model. At the end of the six months ended 30 June 2021, the scale of the Bank's assets under management was RMB4.67 trillion and the scale of assets under custody was RMB20.64 trillion, thus maintaining its comparative advantage as the largest asset management financial group in China.

Balance sheet services were provided to the broadest customer base. The Bank continued to replace the concept of deposit and loan operations with the business tenet of serving customers' balance sheet. The Bank promoted AUM management for personal customers and FPA total financing management for corporate customers. It provided a wide range of diversified, personalised wealth management services for over 690 million personal customers, 9.20 million corporate customers, 19.30 million pension customers, and 198 thousand private banking customers.

A group-wide, multi-dimensional wealth management product line took shape. Relying on the Group's business advantages in asset management, custody services, pension funds, and other areas, the Bank interacted with integrated subsidiaries engaged in fund management, insurance, leasing, investment banking, and wealth management, among other businesses to continuously boost investment management and research capabilities, create an asset management business regime that supported the allocation of funds across the market, and create value throughout the business chain, in order to provide customers with a diversity of integrated professional services.

An open wealth management platform was set up. Apart from its diversified product offering, the Bank also leveraged its significant advantages in digital and platform-based operations to create an online, one-stop, and comprehensive "Financial Supermarket" for customers and kept improving the construction of the open wealth management system.

Intensified efforts were made to empower wealth management with FinTech. First, the intelligent marketing system helped expand the wealth management ecosystem. Second, an intelligent risk control system was available to guarantee wealth safety. Third, a new technological architecture consisting of "core business system open ecosystem" was established to turn the Bank into a boundless bank.

NOMINATION OF EXTERNAL SUPERVISOR

The meeting of the board of supervisors of the Bank held on 27 August 2021 considered and approved the proposal on the nomination of Mr. Zhang Jie as candidate of external supervisor of the Bank and to submit such proposal to the general meeting of shareholders for consideration and approval.

NOMINATION OF NON-EXECUTIVE DIRECTOR

The meeting of the board of directors of the Bank held on 27 August 2021 considered and approved the proposal on nomination of Mr. Dong Yang as candidate of non-executive director of the Bank. Mr. Dong was recommended by Central Huijin Investment Limited ("**Huijin**"). Mr. Dong's appointment as non-executive director of the Bank is subject to the consideration and approval by the general meeting of shareholders of the Bank and is further subject to the approval by the China Banking and Insurance Regulatory Commission (the "**CBIRC**") after the approval from the general meeting of shareholders of the Bank having been obtained. Mr. Dong's term of office as non-executive director of the Bank will commence on the date when the approval from the CBIRC has been obtained.

APPOINTMENT OF SENIOR EXECUTIVE VICE PRESIDENT AND NOMINATION OF EXECUTIVE DIRECTOR

The meeting of the board of directors of the Bank held on 24 September 2021 considered and approved the proposal on the appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank and the nomination of Mr. Zheng Guoyu as candidate of executive director of the Bank. The appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank takes effect after the consideration and approval of the board of directors. The appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank will be filed with CBIRC. In addition, the election of Mr. Zheng Guoyu as executive director of the Bank is subject to the consideration and approval of the general meeting of shareholders of the Bank, the qualification is further subject to the approval of CBIRC.

APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF SUPERVISORS

On 29 July 2021, the first extraordinary general meeting of 2021 of the Bank considered and approved the Proposal on the Election of Mr. Huang Liangbo as Shareholder Supervisor of the Bank. Mr. Huang's term of office as Shareholder Supervisor and the Chairman of the Board of Supervisors of the Bank commence upon the consideration and approval at the general meeting of shareholders of the Bank.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

At the Bank's annual general meeting for the year 2020 held on 21 June 2021, Ms. Chen Yifang was elected as non-executive director of the Bank, and her qualification was approved by CBIRC in August 2021.

APPOINTMENT OF SENIOR EXECUTIVE VICE PRESIDENT

On 29 April 2021, the board of directors of the Bank appointed Mr. Zhang Weiwu as senior executive vice president of the Bank, and his qualification was approved by CBIRC in June 2021.

APPOINTMENT OF EXECUTIVE DIRECTOR

On 29 July 2021, the first extraordinary general meeting of 2021 of the Bank considered and approved the Proposal on the Election of Mr. Wang Jingwu as Executive Director of the Bank. Recently, the Bank received an approval from the CBIRC in relation to Mr. Wang's qualification as Executive Director of the Bank. Pursuant to the relevant requirements, the qualification of Mr. Wang as Executive Director of the Bank has been approved by the CBIRC. The appointment of Mr. Wang as Executive Director of the Bank has become effective.

CAPITALISATION AND INDEBTEDNESS

The section entitled "Capitalisation and Indebtedness" on page 106 of the Original Offering Circular shall be deleted and replaced in its entirety with the following:

The following table sets forth the Group's capitalisation as at 30 June 2021. Please read this table in conjunction with the interim consolidated financial statements of the Group as at and for the six months ended 30 June 2021, which has been incorporated by reference in this Drawdown Offering Circular as described under "*Documents Incorporated by Reference*".

	As at 30 June 2021
	(RMB millions)
Debt[(1)]	
Debt securities issued[(2)(5)]	781,671
Equity	
Share capital	356,407
Other equity instruments	295,811
Reserves	799,230
Retained profits	1,578,442
Non-controlling interest	16,917
Total equity[(3)]	**3,046,807**
Total capitalisation[(4)]	**3,828,478**

Notes:

(1) As at 30 June 2021, we had due to customers, due to central banks and due to banks and other financial institutions, certificates of deposit, repurchase agreements, credit commitments (such as approved loans, undrawn credit card limits, letters of credit, financial guarantees and bank acceptances) and other commitments and contingencies, including outstanding litigation, that arise from the ordinary course of our business.

(2) Since 30 June 2021, we have issued additional debt securities in our ordinary course of business. See "*Recent Developments – Major Recent Issuances*".

(3) On 24 September 2021, we issued U.S.$6,160,000,000 undated additional tier 1 capital. See "*Recent Developments – Issuance of Undated Additional Tier 1 Capital Bonds in the Offshore Market*".

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

(5) Upon the issue of the Hong Kong Branch USD Notes, the Singapore Branch USD Notes, the EUR Notes, the GBP Notes and the MOP Notes, the proceeds thereof will be counted as "debt securities issued" of the Group.

Save as disclosed in this Drawdown Offering Circular, there has not been any material adverse change in the capitalisation of the Group since 30 June 2021.

BELT AND ROAD BANKERS ROUNDTABLE MECHANISM

BACKGROUND AND PRINCIPLE OF COOPERATION

In May 2017, the inaugural Belt and Road Forum for International Cooperation (the "**BRF**") was successfully held in Beijing, during which the Bank, supported by the People's Bank of China (the "**PBOC**"), hosted the first Belt and Road Bankers Roundtable ("**BRBR**"), bringing together top executives and senior management representatives from over 30 renowned financial institutions, including multilateral development institutions, leading international banks as well as major policy and commercial banks from countries along the "Belt and Road" area. The roundtable meeting marked the establishment of the Belt and Road Bankers Roundtable Mechanism (the "**BRBR Mechanism**"), which was included in the official list of deliverables of the BRF as the only initiative from a commercial institution. As of mid-August 2021, the BRBR Mechanism has a total of 134 member institutions spanning 66 countries and regions.

In line with the Belt and Road Initiative's vision of achieving shared growth through consultation and collaboration, the BRBR Mechanism upholds the principles of openness and inclusiveness, equality and mutual benefit, joint contribution and shared benefits, and the following of legal and commercial rules through various forms of cooperation and exchanges.

The BRBR Mechanism works to promote communication and cooperation in project investment and financing, asset trading, local currency financing, transaction banking, financial markets transactions, risk management, policy and legal advisory, etc. It also facilitates member institutions to join hands and share resources in such areas of common interests as green finance, credit rating and fintech application.

Cooperation Progress

The second BRBR conference took place in April 2019 in Beijing right before the second BRF, and was attended by more than 240 representatives from over 80 institutions spanning 33 countries and regions. At the second BRBR conference, seven third-market cooperation papers with a total investment value of U.S.$8.8 billion were reached, the Belt and Road Green Finance (Investment) Index ("**BRGF Index**") was pre-released, and three BRBR cooperation initiatives, namely the 'Joint Initiative on Supporting the Green Investment Principles for the Belt and Road', 'Initiative on Strengthening BRBR Credit Risk Management Cooperation', and 'Initiative on Promoting BRBR Green Bond Cooperation' were proposed. These initiatives aim to promote collaboration among financial institutions in green finance, debt capital market and risk management and control.

Prior the second BRBR conference, the Bank had also successfully issued the first BRBR Green Bond. The bond issuance, together with the pre-release of the BRGF Index and the BRBR Workshop on Project Financing Cooperation and Risk Management, were collectively included in the official list of deliverables of the second BRF, marking the Bank as the commercial financial institution with the largest number of official deliverables.

In early 2020, with humanitarianism and social responsibility in mind, the BRBR member institutions jointly launched the 'Initiative on Supporting China and other countries in Combating COVID-19' so as to encourage "Belt and Road" financial institutions to support worldwide efforts to stop the spread of COVID-19 and maintain economic stability, call upon the international community to strengthen cooperation within the World Health Organization framework and uphold regional and global public health safety.

In November 2020, the Bank and the PBOC co-hosted the Financial Cooperation Forum (the "**Forum**") during the third China International Import Expo. The Forum attracted representatives of more than 70 financial institutions, government departments and international multilateral organizations from more than 20 countries and regions, of which around 40 were BRBR members. During the event, the 'BRBR Initiative on Supporting Economic Recovery and Supply Chains Stability' was launched, calling for financial institutions to enhance inter-connectivity and cooperation, and to make financial contributions to the recovery and development of the world economy.

On 13 April 2021, the BRBR Secretariat and the Bank successfully hosted the Green Finance Webinar. Experts from the PBOC, China Green Finance Committee, Institute of International Finance, Monte Titoli along with representatives from Crédit Agricole Corporate and Investment Bank ("**CA-CIB**"), First Abu Dhabi Bank, Skandinaviska Enskilda Banken, Standard Chartered Bank, SMBC, DBS Bank Ltd. as well as the Bank were invited to speak at the webinar. The speakers shared their insights into the progress and prospect of green finance, as well as the advanced explorations, best practices and cutting-edge solutions of their respective institutions in this field.

The collective action to greening the economies under the BRBR Mechanism was well received by the participants and, in response, the BRBR Secretariat, together with CA-CIB, proposed to set up the Working Group on Green Finance (the "**Green Finance Working Group**") to further leverage financial strength in supporting sustainable development of the global economy. On 16 July 2021, the BRBR Secretariat and CA-CIB successfully hosted the first Plenary Meeting of the Green Finance Working Group on Green Finance. During the meeting, members of the Green Finance Working Group presented their green expertise and concerns, as well as expectations to the Green Finance Working Group at large. CA-CIB, in its capacity as the leader of the Green Finance Working Group, provided a regulatory and market update on green finance and put forward the tentative working plan of the Green Finance Working Group which was well received by the other group members.

The issuance of the Notes is a part of the Bank's initiatives to promote the inter-bank cooperation among member institutions within the BRBR Mechanism, in particular on the role which debt capital market plays in supporting the Belt and Road Initiative. In addition, the application of the proceeds towards Eligible Green Assets in accordance with the Bank's Green Bond Framework is a further illustration of the Bank's commitment to green finance and the BRBR cooperation initiatives.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

References are made to the section entitled "Directors and Senior Management" from page 197 to page 206 of the Original Offering Circular.

The following line should be inserted after the third line in the table on page 197 of the Original Offering Circular and the original 18th line of the table shall be deleted in its entirety:

Wang Jingwu	Senior Executive Vice President and Executive Director	Male	1966

The following line should be inserted after the 12th line in the table on page 197 of the Original Offering Circular and the original first and second Notes of the table shall be deleted in its entirety:

Huang Liangbo.	Shareholder Supervisor	Male	1964

The following paragraphs shall be inserted before the last paragraph on page 197 of the Original Offering Circular:

The meeting of the board of directors of the Bank held on 27 August 2021 considered and approved the proposal on the nomination of Mr. Dong Yang as candidate of non-executive director of the Bank. The appointment of Mr. Dong Yang as Non-executive Director of the Bank is subject to the consideration and approval at the general meeting of shareholders of the Bank and is subject to the approval of CBIRC.

The meeting of the board of supervisors of the Bank held on 27 August 2021 considered and approved the proposal on the nomination of Mr. Zhang Jie as candidate of external supervisor of the Bank. The appointment of Mr. Zhang Jie as External Supervisor of the Bank is subject to the consideration and approval at the general meeting of shareholders of the Bank.

The meeting of the board of directors of the Bank held on 24 September 2021 considered and approved the proposal on the appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank and the nomination of Mr. Zheng Guoyu as candidate of executive director of the Bank. The appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank takes effect after the consideration and approval of the board of directors. The appointment of Mr. Zheng Guoyu as senior executive vice president of the Bank will be filed with CBIRC. In addition, the election of Mr. Zheng Guoyu as executive director of the Bank is subject to the consideration and approval of the general meeting of shareholders of the Bank, the qualification is further subject to the approval of CBIRC.

The following paragraph should be inserted after the second paragraph on page 198 of the Original Offering Circular:

Zheng Guoyu, Executive Director and Senior Executive Vice President

Mr. Zheng joined Bank of China since November 1988. He was appointed as Assistant to General Manager and Deputy General Manager of Hubei Branch in May 2001, General Manager of Shanxi Branch in January 2012, General Manager of Sichuan Branch in June 2015, Member of Executive Committee of Bank of China in January 2019, and Executive Vice President of Bank of China in May 2019. Mr. Zheng graduated from Huazhong University of Science and Technology, obtained a Master of Business Administration Degree, and is a senior economist.

The following paragraph should be inserted after the last paragraph on page 199 of the Original Offering Circular:

Dong Yang, Non-executive Director

Mr. Dong joined the MOF in August 1989 and worked successively in the Human Resources Department, the Department of Industry and Transportation, the Department of Economy and Trade and the Department of National Defence of the MOF. Since 2001, he has successively served as assistant researcher, researcher and secretary (director level) of the Department of National Defence of the MOF. Since April 2015, he has successively served as a member of the CPC Committee, Deputy Inspector, and Discipline Inspection Team Leader of the Commissioner's Office of the MOF in Heilongjiang. Since December 2018, he has served as a member of the CPC Committee, Deputy Inspector and Discipline Inspection Leader of the Commissioner's Office of the MOF in Beijing. From April 2019, he served as a member of the CPC Committee, Deputy Director, and Discipline Inspection Team Leader of the Beijing Regulatory Bureau of the MOF. Mr. Dong graduated from the Beijing Normal University and obtained a Master's degree in Management from Harbin Engineering University.

The following paragraph should be inserted after the first paragraph on page 202 of the Original Offering Circular:

Zhang Jie, External Supervisor

Mr. Zhang is currently a professor and doctoral supervisor of the Renmin University of China, director of the International Monetary Institute, a distinguished professor of the Ministry of Education's "Changjiang Scholars Program", a famous teacher of the national "Ten Thousand Talents Program", and a national candidate of the "New Century Talents Project". Mr. Zhang is a recipient of the special government allowance provided by the State Council to experts, and is engaged in research on the topics of institutional finance, China's financial system and financial development. He was the Dean of the School of Finance of Shaanxi Institute of Finance and Economics, the Associate Dean of the School of Economics and Finance of Xi'an Jiaotong University, the Associate Dean of the School of Finance of Renmin University of China, and the first Secretary General of the College Finance Teaching Steering Committee of the Ministry of Education. At present, he is concurrently a researcher of the Finance Research Institute of the Counsellor's Office of the State Council, and an executive director of the China Society for Finance and Banking.

The section entitled "Board Committees" from page 204 to page 205 of the Original Offering Circular shall be deleted and replaced in its entirety with the following:

BOARD COMMITTEES

The Board delegates certain responsibilities to various committees. In accordance with relevant PRC laws and regulations, we have formed strategy, corporate social responsibility and consumer protection, audit, risk management, nomination and compensation, related party transactions control and US risk committees.

Strategy Committee

The Strategy Committee is mainly responsible for considering our strategic development plan, business and institutional development plan, major investment and financing plan and other major matters critical to our development, making recommendations to the Board, and examining and assessing the soundness

of the corporate governance framework to ensure financial reporting, risk management and internal control are compliant with our corporate governance criteria. The Strategy Committee consists of eight directors, including Chairman and Executive Director, Mr. Chen Siqing; Vice Chairman and President, Liao Lin; Non-executive Directors, Mr. Lu Yongzhen, Mr. Zheng Fuqing and Ms. Chen Yifang and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Nout Wellink and Mr. Fred Zuliu Hu. Chairman of the Board Mr. Chen Siqing is the chairman of the committee.

Corporate Social Responsibility and Consumer Protection Committee

The Corporate Social Responsibility and Consumer Protection Committee is mainly responsible for undertaking the relevant duties of the Bank in relation to the fulfilment of social responsibility and consumer protection of the Bank. The Corporate Social Responsibility and Consumer Protection Committee consists of four members, including Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Directors, Ms. Cao Liqun and Ms. Chen Yifang and Independent Non-Executive Director, Mr. Nout Wellink. Vice Chairman of the Board, Executive Director and President Mr. Liao Lin is the chairman of the committee.

Audit Committee

The Audit Committee is mainly responsible for supervising, inspecting and evaluating internal control, financial information and internal audit and assessing mechanisms for our staff to report misconducts in financial statements, internal control, etc. and for the Bank to make independent and fair investigations and take appropriate actions. The Audit Committee consists of seven directors, including Non-executive Directors, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun, Mr. Shen Si, Mr. Nout Wellink and Mr. Fred Zuliu Hu. Independent Non-executive Director Mr. Shen Si is the chairman of the committee.

Risk Management Committee

The Risk Management Committee is primarily responsible for reviewing and revising our strategy, policy and procedures of risk management and internal control process and supervising and evaluating the performance of Senior Management members and the risk management department in respect of risk management. The Risk Management Committee consists of eight directors, including Senior Executive Vice President and Executive Director, Mr. Wang Jingwu (effective from the approval of his director appointment qualifications by the CBIRC being obtained), Non-executive Directors, Mr. Lu Yongzhen, Mr. Zheng Fuqing, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Shen Si. Independent Non-executive Director Mr. Anthony Francis Neoh is the chairman of the committee.

Nomination Committee

The Nomination Committee is mainly responsible for making recommendations to the Board on candidates for directors and Senior Management members, nominating candidates for chairmen and members of special committees of the Board, and formulating the standards and procedures for selection and appointment of directors and Senior Management members as well as the training and development plans for Senior Management members and key reserved talents. The Nomination Committee is also responsible for assessing the structure, size and composition of the Board on a yearly basis and making recommendations to the Board based on our development strategy. The Nomination Committee consists of five directors, including Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Director, Mr. Feng Weidong and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Fred Zuliu Hu. Independent Non-executive Director Mr. Fred Zuliu Hu is the chairman of the committee.

Compensation Committee

The Compensation Committee is mainly responsible for formulating assessment measures on the performance of duties for directors, organising the assessment on the performance of duties of Directors, putting forth proposals on remuneration distribution for Directors, putting forth proposals on remuneration distribution for Supervisors based on the performance assessment on Supervisors carried out by the board of supervisors, formulating and reviewing the assessment measures and compensation plans for Senior Management members and evaluating the performance and behaviours of Senior Management members. The Compensation Committee consists of five directors, including Non-executive Directors, Mr. Lu Yongzhen and Ms. Chen Yifang and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Shen Si and Mr. Nout Wellink. Independent Non-executive Director Mr. Nout Wellink is the chairman of the committee.

Related Party Transactions Control Committee

The Bank established its related party transactions control committee in accordance with applicable PRC laws, regulations and rules. The Related Party Transactions Control Committee is mainly responsible for identifying the Bank's related parties, examining major related party transactions, and receiving related party transaction statistics and reporting information of general related party transactions. The Related Party Transactions Control Committee consists of four directors, including Senior Executive Vice President and Executive Director, Mr. Wang Jingwu (effective from the approval of his director appointment qualifications by the CBIRC being obtained), Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Nout Wellink. Independent Non-executive Director Mr. Yang Siu Shun is the chairman of the committee.

US Risk Committee

The US Risk Committee is mainly responsible for regulatory compliance in the United States in light of the business development needs of the Bank. The US Risk Committee consists of eight directors, including Senior Executive Vice President and Executive Director, Mr. Wang Jingwu (effective from the approval of his director appointment qualifications by the CBIRC being obtained), Non-Executive Directors, Mr. Lu Yongzhen, Mr. Zheng Fuqing, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Shen Si. Independent Non-executive Director Mr. Anthony Francis Neoh is the chairman of the committee.

RISK FACTOR FOR NOTES BEING ISSUED AS "CARBON NEUTRALITY" THEMED GREEN BONDS

The section entitled "Risk Factors – Risks Relating to the Notes issued under the Programme" of the Original Offering Circular shall be supplemented with the following:

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

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

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

In connection with the issue of the Notes, the Branch Issuers have also received the certification from the Climate Bonds Standard Board on behalf of the Climate Bond Initiative (the "**CBI**") (the "**Climate Bond Certificate**") in accordance with the Climate Bonds Standard ("**CBS**"). The Bank has also engaged Beijing Zhongcai Green Financing Consultant Ltd. to provide a third party assessment report (the "**Carbon Neutrality Bonds Assessment Report**") on the Notes, and the criteria for Beijing Zhongcai Green Financing Consultant Ltd.'s procedures are the Notice by the National Association of Financial Market Institutional Investors on Clarifying Mechanisms in Relation to Carbon Neutrality Bond, the Green Bond Endorsed Projects Catalogue and the PBOC Announcement No. 39 [2015].

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

The Second-Party Opinions are not incorporated into, and do not form part of, the Original Offering Circular or this Drawdown Offering Circular. None of the Second-Party Opinions are a recommendation to buy, sell or hold securities and each Second-Party Opinion is only current as of its date of issue and is subject to certain disclaimers set out therein. Furthermore, the Second-Party Opinions are for information purposes only and none of the relevant Branch Issuer, the Bank, the Group or the relevant Joint Lead Managers accepts any form of liability for the substance of the Second-Party Opinions and/or any liability for loss arising from the use of the Second-Party Opinions and/or the information provided in them. The Second-Party Opinions have been made available to investors on the Bank's website (http://www.icbc-ltd.com/).

The HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate and the Carbon Neutrality Bonds Assessment Report are not incorporated into, and do not form part of, the Original Offering Circular or this Drawdown Offering Circular. The HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate and the Carbon Neutrality Bonds Assessment Report may not reflect the potential impact of all risks related to the relevant series of Notes, their marketability, trading price or liquidity or any other factors that may affect the price or value of that series of Notes. None of the HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate or the Carbon Neutrality Bonds Assessment Report is a recommendation to buy, sell or hold securities and each of the HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate and the Carbon Neutrality Bonds Assessment Report is only current as of its date of issue.

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

Whilst the relevant Branch Issuer and the Bank have agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed "*Use of Proceeds*", "*Green Bond Framework*" and "*Notes being issued as "carbon neutrality" themed green bonds*", it would not be an Event of Default under the Terms and Conditions of the relevant series of Notes if (i) the relevant Branch Issuer or the Bank were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the relevant series of Notes in the manner specified in this Drawdown Offering Circular (as further described in the sections entitled "*Use of Proceeds*" and "*Green Bond Framework*") and/or (ii) any Second-Party Opinions, the HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate and/or the Carbon Neutrality Bonds Assessment Report issued in connection with such Notes were to be withdrawn. Any failure to use the net proceeds of the issue of the relevant series of Notes in connection with eligible green projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to such Notes, may affect the value and/or trading price

of such Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green projects. In the event that the Notes are included in any dedicated "green", "environmental", "social", "sustainable" or other equivalently-labelled index, no representation or assurance is given by any Branch Issuer or the Bank or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

None of the relevant Branch Issuer, the Bank, the Group or the relevant Joint Lead Managers makes any representation as to (i) the suitability for any purpose of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificate, the Climate Bond Certificate and/or the Carbon Neutrality Bonds Assessment Report, (ii) whether the relevant series of Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors, (iii) whether the net proceeds will be used to finance and/or refinance Eligible Green Assets (as further described in the sections entitled "*Use of Proceeds*", "*Green Bond Framework*", "*Notes being issued as "carbon neutrality" themed green bonds*"), or (iv) the characteristics of Eligible Green Assets, including their relevant environmental and sustainability criteria. Each potential purchaser of the Notes should have regard to the relevant projects and eligibility criteria described under the sections headed "*Green Bond Framework*" and "*Notes being issued as "carbon neutrality" themed green bonds*". Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Drawdown Offering Circular regarding the use of proceeds, and its purchase of any Notes should be based upon such investigation as it deems necessary.

GREEN BOND FRAMEWORK

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

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

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

In addition, Notes issued under the Green Bond Framework may further be certified by the CBI in accordance with the CBS.

The Green Bond Framework is publicly available on the global website of the Bank at: www.icbc-ltd.com. For the avoidance of doubt, the Green Bond Framework is not incorporated by reference into, and does not form part of, the Original Offering Circular or this Drawdown Offering Circular. None of the Joint Lead Managers or any of their respective director, officer, employee, representative, adviser, agent or affiliate accepts any responsibility for the contents of the Green Bond Framework.

USE OF PROCEEDS

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

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

Eligible Green Asset Categories	Eligibility Criteria	United Nations Sustainable Development Goals Alignment	Environmental Objectives
Renewable energy	• Generation and transmission of energy from renewable energy sources o Renewable energy sources include offshore and onshore wind, solar, tidal, large hydropower (lifecycle emissions below 100g CO2e/kWh or power density above 5 W/m2), and biomass (lifecycle emissions below 100g CO2e/kWh)	Target 7: Ensure access to affordable, reliable, sustainable and modern energy for all 	Climate change mitigation

Eligible Green Asset Categories	Eligibility Criteria	United Nations Sustainable Development Goals Alignment	Environmental Objectives
Clean transportation	• Construction, maintenance, research and development of zero direct emission (e.g. electric and hydrogen) transportation facilities excluding any infrastructure or rolling stock assets used for the transportation of fossil fuel or mining products o Examples include metro, rail tram, bus rapid transit systems, and electric vehicles • Manufacture of key assets, systems, and components dedicated for zero direct emission vehicles and vessels	Target 11: Make cities and human settlements inclusive, safe 	Climate change mitigation and pollution prevention & control
Energy efficiency	• Products or technologies that increase energy efficiency and reduce at least 30% energy consumption of the related asset(s), technology(ies), product(s) or system(s) o Examples include LED lights, improved chillers, and improved lighting technologies • Improved efficiency in the delivery of bulk energy services o Examples include smart grids and energy storage	Target 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation 	Climate change mitigation
Sustainable water and wastewater management	• Water collection, treatment, recycling technologies and related infrastructure o Examples include water pipes and collection facilities to collect water or rainwater for recycling, and wastewater treatment plant facilities	Target 6: Ensure availability and sustainable management of water and sanitation for all 	Pollution prevention & control

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

PROJECT EVALUATION AND SELECTION

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

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

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

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

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

MANAGEMENT OF PROCEEDS

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

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

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

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

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

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

Any balance of issuance proceeds from the relevant series of Notes not allocated to Eligible Green Assets will be held in accordance with the Bank's sound and prudent liquidity management policy. The remaining unallocated proceeds will be handled as compliant with the relevant green bond standards of the issuing location, which includes temporary investment in notes issued by non-financial enterprises, money market instruments with good credit rating and market liquidity in the domestic and international markets until they are allocated to Eligible Green Assets. The unallocated proceeds shall not be invested in highly polluting, high-carbon emission or resource-intensive projects.

ALLOCATION REPORTING

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

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

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

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

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

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

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

IMPACT REPORTING

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

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

Eligible Green Asset Categories	**Potential Impact Indicators**
Renewable energy	• KWh of power generated from renewable energy
	• Tonnes of CO2 (or other GHG) avoided
Clean transportation	• Tonnes of CO2 (or other GHG) avoided
	• Length of new tracks built (km)
	• No. of passenger
	• No. of electric vehicles purchased

Eligible Green Asset Categories	Potential Impact Indicators
Energy efficiency	• KWh of energy saved per year • Percentage energy efficiency achieved
Sustainable water and wastewater management	• Amount of water saved • Amount of waste water treated

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

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

EXTERNAL REVIEW

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

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

In addition, Notes issued under the Green Bond Framework may certified by the CBI in accordance with the CBS.

CBI Certification Disclaimer

The certification of the Notes as Climate Bonds by the CBI is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Notes or any Eligible Green Assets, including but not limited to the Drawdown Offering Circular, the transaction documents, the Bank or the management of the Bank.

The certification of the Notes as Climate Bonds by the CBI was addressed solely to the board of directors of the Bank and is not a recommendation to any person to purchase, hold or sell the Notes and such certification does not address the market price or suitability of the Notes for a particular investor. The certification also does not address the merits of the decision by the Bank or any third party to participate in any Eligible Green Assets and does not express and should not be deemed to be an expression of an opinion as to the Bank or any aspect of any Eligible Green Assets (including but not limited to the financial viability of any Eligible Green Assets) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the CBI has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the CBI. The CBI does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Eligible Green Assets or the Bank. In addition, the CBI does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Eligible Green Assets. The certification may only be used with the Notes and may not be used for any other purpose without the CBI's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Green Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in CBI's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

USE OF PROCEEDS

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

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

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

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

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

Location	**Proportion (%)**
China	94.3
United Arab Emirates	5.2
United Kingdom	0.5
Total	100.0

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

Eligible Green Asset Categories	**Proportion (%)**
Clean Transportation – Metro	85.2
Renewable Energy – Solar	9.0
Renewable Energy – Wind	5.8
Total	100.0

NOTES BEING ISSUED AS "CARBON NEUTRALITY" THEMED GREEN BONDS

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

MANAGEMENT STATEMENT

The Bank's vision is to be a global leading bank with the best profitability, performance and prestige. The Bank has developed a long-term strategy to be a leading and top-rated green financial institution. The Bank strives to realise the integration of economic and social responsibilities, establishing the image of a large responsible bank in the aspects of supporting economic development, protecting environment and resources, and sponsoring public interest activities.

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

GREEN CREDIT, FINANCIAL INNOVATION AND OPERATIONS

As at the end of 2020, the balance of domestic green credit that the Bank extended to green industries such as energy saving and environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure and green services reached RMB1,845.7 billion, increasing by RMB494.9 billion or 36.6 per cent. compared to the end of 2019.

The Bank proactively carried out the concept of green development and the national strategy of sustainable development to support the development of green bond market. As at the end of 2020, the Bank accumulatively issued U.S.$9.83 billion green bonds and the green bonds it issued had won 10 international awards in total.

The Bank has continued to develop its long-term strategy to be a leading and top-rated green financial institution by promoting its e-banking system and adopting green internal policies. When providing annual bank statement services to its customers, the Bank includes the number of transactions handled through the Bank's online channel as well as estimate of the reductions in carbon emissions as a result of such transactions, to spread the concept of energy conservation and environmental protection.

In 2020, the number of the Bank's e-banking transactions accounted for approximately 98.7 per cent. of the Bank's total transactions, an increase of approximately 0.6 per cent. as compared to 2019.

In 2020, the Bank's (i) standard coal equivalence of reductions was approximately 49.2 million (2019: 46.3 million) tonnes, (ii) CO2 equivalence of reductions was approximately 85.2 million (2019: 89.9 million) tonnes, (iii) chemical oxygen demand emission reduction was approximately 2.8 million (2019: 268,500) tonnes, (iv) ammonia nitrogen emission reduction was approximately 311,000 (2019: 49,100) tonnes, (v) SO2 emission reduction was approximately 21.9 million (2019: 39,400) tonnes, (vi) nitrogen oxides emission reduction was approximately 14.2 million (2019: 33,400) tonnes and (vii) water savings amounted to approximately 89.3 million (2019: 59.0 million) tonnes. The Bank's head office promoted energy efficiency by lowering its office power consumption from 19,667.3 MWh in 2019 to 17,290.4 MWh in 2020 and water consumption from 177,550 tonnes to 125,103 tonnes. It also reduced its official vehicle oil consumption from 67,796 litres in 2019 to 57,339 litres in 2020.

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

INTERNATIONAL EXCHANGE AND COOPERATION

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

- In 2012, the Bank became the first Chinese commercial bank to join the United National Global Compact.

- In 2013, the Bank made a commitment to green financing on behalf of 29 banks in the National Green Credit Meeting organised by the China Banking Regulatory Commission.

- In January 2015, the Bank signed the Declaration on Environment and Sustainable Development and joined the United Nations Environment Programme Finance Initiative to become a member of the organisation.

- In 2016, the Bank signed the Statement by Financial Institution on Energy Efficiency at the invitation by the G20 Energy Efficiency Finance Task Group, becoming the first major commercial bank participant from China.

- At the 2016 international conference "Future of Green Finance" held in London, the Bank published the "Impact of Environmental Factors on Credit Risk of Commercial Banks – Research and application by ICBC based on stress test".

- In 2016, as co-Chairman of the B20 Financing Growth Task Force, the Bank raised the topic of green finance on behalf of the business community, which was included for the first time in the B20 core issues.

- In 2018, the Bank was the only Chinese bank in the core group of United Nations Environment Program Finance Initiative (UNEP FI)'s development of "Principles for Sustainable Global Banking".

- The Bank was selected for several consecutive years as a composite share in the Hang Seng Corporate Sustainability Indexes. The Bank was also the first Chinese financial institution to join the Task Force on Climate-related Financial Disclosures (TCFD). It is also a standing council member of the China Green Finance Committee since its establishment in 2015 contributing to the development of the market through participation and research.

THE BANK'S INTERNAL POLICIES RELATING TO GREEN CREDIT

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

Improving the Policy System

The Bank issued the Opinions on Comprehensively Strengthening Green Finance, which defined the work objectives and basic principles, clarified the main workstreams and specific measures for strengthening green finance, including 27 measures in six areas (such as furthering green adjustment of investment and financing structures, comprehensively strengthening environmental and social risk management, actively carrying out green financial innovation, conscientiously implementing regulatory requirements, strengthening the organisation of green finance work and ensuring its proper functioning as well as day-to-day management), thus laying a solid foundation for green finance, building a world-class green bank and realising the sustainable development of the investment and financing business. Below are some of the Bank's key policies:

- Since 2003, the Bank has released a revised industrial (green) credit policy each year. It acted in accordance with trends in green credit policy and the requirements for different industries, gives higher industry positioning to green industries such as ecological protection, clean energy, energy conservation and environmental protection and circular economy, establishes the relationship between industry positioning and economic capital and encourages and guides the Bank to actively support the credit business in the green economy.

- The Bank has prepared and issued the Opinions on Credit Support for Key Areas of Advanced Manufacturing and the Guidelines on Credit for Energy Conservation, among others, to provide guidance for the Bank to actively cultivate emerging green credit markets such as energy conservation and emission reduction and circular economy.

- Influenced by the Equator Principles and IFC performance standards and guidance, the Bank issued the Management Measures for Classification of Green Credit, which classified corporate loan customers of the Bank in the mainland and their projects into twelve types in four categories based on the degree of impact on the environment, and embedded that into the internal asset management system, thereby enabling the scientific and quantitative management of customers' environmental and social risks.

Strengthening the Management of Environmental and Social Risks

In 2018, the Bank further required each branch to tighten the environmental criteria for customers in key industries and localities, strictly implementing the "Environmental Protection One-Veto System", safeguarding the compliance bottom line of environmental and social risks, and enhancing the control of investment and financing risks of high-risk customers. It sets out the required actions and focal points in each step of green credit, and strengthened the whole-process management of investment and financing-related environmental and social risks in accordance with environmental and social risk compliance requirements and on the basis of the customer/project's characteristics.

Providing More Safeguards for Green Credit

The system of performance assessment indicators of the Board of Directors for senior management members contained economic benefit indicators, risk and cost control indicators and social responsibility indicators. In 2018, the Bank adjusted the quantitative indicators for green credit and included them as quarterly performance assessment indicators system of branches, thereby further improving the performance assessment and incentives for green credit work.

The Bank also added statistical data for "energy-conserving and environmental-friendly projects and services"(including eight sub-indicators such as classification of energy-conserving and environmental-friendly projects and services and project's energy-conserving and emission-reducing effects) in the credit management system as early as in 2014. In 2018, the Bank collated and verified the green credit categorisation as well as statistical data quality of project loans to corporate customers of the entire Bank. It further improved the quality of basic data and perfected the green credit statistical analysis.

DESCRIPTION ON "CARBON NEUTRALITY" THEMED GREEN BONDS

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

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

EXTERNAL REVIEW

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

In addition, the HKQAA Pre-issuance Stage Certificate has been obtained from the HKQAA for each series of the Notes, certifying that the relevant series of Notes to be issued by each Branch Issuer comply with the requirements of the HKQAA Green and Sustainable Finance Certification Scheme. See "*The HKQAA Green and Sustainable Finance Certification Scheme*" below.

In connection with the issue of the Notes, the Branch Issuers have also received the Climate Bond Certificate issued by CBI in accordance with the CBS.

Furthermore, the Carbon Neutrality Bonds Assessment Report issued by Beijing Zhongcai Green Financing Consultant Ltd. has been obtained in respect of the Notes.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

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

THE HKQAA

The HKQAA is a non-profit distributing organisation established by the Hong Kong Government and was the only Hong Kong organisation accredited as a Designated Operational Entity by the Executive Board of the Clean Development Mechanism ("**CDM**") under the United Nations Framework Convention on Climate Change to deliver CDM validation and verification services from 2011 to 2021.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

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

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

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

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

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

When the HKQAA has completed its assessment and validation of the Method Statement and no issues of nonconformity are outstanding, it will make a recommendation of certification to the Certification Review Board which reviews and approves the recommendation. Upon such approval, a pre-issuance stage certificate and a Certification Mark (a trademark designed by the HKQAA indicating that a specified debt instrument issued by an applicant is duly certified under the HKQAA Green and Sustainable Finance Certification Scheme) are issued to the applicant.

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

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

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

HKQAA CERTIFICATION DISCLAIMER

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

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

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

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

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

SUBSCRIPTION AND SALE

The section entitled "*Subscription and Sale*" of the Original Offering Circular shall be supplemented with the following:

Macau

Each of the Joint Lead Managers has represented, warranted and agreed that the Notes have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act, as approved by Decree Law no. 32/93/M dated 5 July 1993 (the "**FSA**"), and Circulars no. 033/B/2010-DSB/AMCM, no. 009/B/2019-DSB/AMCM and no. 008/B/2021-DSB/AMCM (together, the "**AMCM Guidelines**") and any other laws and regulations in Macau that may apply to the offer and sale of the Notes in Macau. The Notes are registered for offer and sale to professional investors in Macau under the FSA and the AMCM Guidelines, thus may only be offered or sold in Macau by Macau licensed entities according to the FSA and AMCM Guidelines and upon their communication to the AMCM and the MOX (when applicable), in observation of the guidelines and recommendations issued by the AMCM and the MOX (when applicable) from time to time.

The Joint Lead Managers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Notes in Macau.

GENERAL INFORMATION

The sub-sections entitled "*Listing*", "*Authorisation", "Legal and Arbitration Proceedings*", "*Significant/Material Change*", "*Auditors*" and "*No Conflicts of Interest*" in "*General Information*" of the Original Offering Circular shall be amended and replaced with the following:

1. LISTING

Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. The issue price of each series of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of the nominal amount of such series of Notes. It is expected that dealings will, if permission is granted to deal in and for the listing of the Notes, commence on or about the date of listing of the Notes.

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes on the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank, their respective subsidiaries, their respective affiliates or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the Offering Circular and this Drawdown Offering Circular.

For so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). In addition, for so long as any series of Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Branch Issuer will appoint and maintain a paying agent in Singapore, where the relevant Notes may be presented or surrendered for payment or redemption, in the event that the Global Note Certificate is exchanged for any series of Notes in definitive form. In addition, in the event that the Global Note Certificate is exchanged for any series of Notes in definitive form, announcement of such exchange shall be made by or on behalf of the relevant Branch Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of such Notes in definitive form, including details of the paying agent in Singapore.

Application has been made to the LuxSE for the Notes (other than the MOP Notes) to be admitted to trading on the professional segment of the Euro MTF Market, listed on the Official List of the LuxSE and displayed on the LGX platform. Application has been made to the LuxSE for the MOP Notes to be listed on the LuxSE SOL, without admission to trading on one of the securities markets operated by the LuxSE, and displayed on the LGX platform. In respect of Notes admitted to trading on the professional segment of the Euro MTF Market and listed on the Official List of the LuxSE and in respect of Notes listed on the LuxSE SOL and as long as the rules of such exchange so require, all notices regarding the Notes will be published in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be Luxemburger Wort) or on the LuxSE website (*www.bourse.lu*).

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM and to be displayed on the SBM. The ISM is not a regulated market for the purposes of UK MiFIR. Such admission to trading is expected to be effective immediately following the Issue Date.

Application has been made to the MOX for the listing of the Notes by way of debt issues to Professional Investors only.

2. AUTHORISATION

The issuances of the Notes were authorised by

(i) Approval on London Branch to Issue "Carbon Neutrality" Themed Green Bonds dated 22 September 2021,

(ii) Approval on Macau Branch to Issue "Carbon Neutrality" Themed Green Bonds dated 22 September 2021,

(iii) Approval on Luxembourg Branch to Issue "Carbon Neutrality" Themed Green Bonds dated 22 September 2021,

(iv) Approval on Hong Kong Branch to Issue "Carbon Neutrality" Themed Green Bonds dated 22 September 2021, and

(v) Approval on Singapore Branch to Issue "Carbon Neutrality" Themed Green Bonds dated 22 September 2021

of Industrial and Commercial Bank of China Limited. Each relevant Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of its respective Notes and the performance of its obligations under such Notes.

3. LEGAL AND ARBITRATION PROCEEDINGS

The Bank is involved in legal proceedings in the ordinary course of its business. Most of the legal proceedings were initiated by the Bank for recovering NPLs, while some legal proceedings arose from customer disputes. Each of the Bank and the relevant Branch Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Bank or the relevant Branch Issuer is aware, which may have, or have had during the 12 months prior to the date of this Drawdown Offering Circular, a significant effect on the financial or trading position or profitability of the Group.

4. SIGNIFICANT/MATERIAL CHANGE

Since 30 June 2021, there has been no significant change in the financial or trading position or prospects of the Group.

5. AUDITORS

The Group's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, which are incorporated by reference in this Drawdown Offering Circular, have been audited by KPMG (8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong), who are registered with Hong Kong Institute of Certified Public Accountants. The Group's interim consolidated financial statements as at and for the six months ended 30 June 2021, which are incorporated by reference in this Drawdown Offering Circular, have been reviewed by Deloitte. Deloitte is registered to carry out audit work in Hong Kong by the Hong Kong Institute of Certified Public Accountants. Its address is at 35/F, One Pacific Place, 88 Queensway, Hong Kong.

6. NO CONFLICTS OF INTEREST

There are no potential conflicts of interest between any duties to the Bank of the Bank's directors and their private interests or other duties.

CHAPTER TWO
HONG KONG BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Hong Kong Branch

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

U.S.$1,000,000,000 1.625 per cent. Notes due 2026 (the "Hong Kong Branch USD Notes") issued under the U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the Hong Kong Branch USD Notes: 99.976 per cent.

The Hong Kong Branch USD Notes are issued by the Hong Kong Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the Hong Kong Branch USD Notes shall be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Hong Kong Branch USD Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Hong Kong Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Hong Kong Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Hong Kong Branch USD Notes will be issued in registered form and initially represented by a global note certificate (the "**Hong Kong Branch USD Notes Global Note Certificate**") which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear"**) and Clearstream Banking S.A. ("**Clearstream**").

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Hong Kong Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Hong Kong Branch USD Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong Branch USD Notes

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

ICBC	Agricultural Bank of China Limited Hong Kong Branch	Bank of China	BNP PARIBAS	China Construction Bank (Asia)	China Everbright Bank Hong Kong Branch
Citigroup	CMB Wing Lung Bank Limited	Crédit Agricole CIB	HSBC	Standard Chartered Bank	UBS

Joint Lead Managers and Joint Bookrunners

Bank of Communications	China International Capital Corporation	China Securities International	CLSA
CMBC Capital	CBA	Industrial Bank Co., Ltd. Hong Kong Branch	
KDB Asia	BofA Securities	Shanghai Pudong Development Bank Hong Kong Branch	

DESCRIPTION OF HONG KONG BRANCH ISSUER

DESCRIPTION OF HONG KONG BRANCH

The Bank commenced operations in Hong Kong in 1995 through its branch setup in Hong Kong (the "**Hong Kong Branch**"). The registered office of the Hong Kong Branch is at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong.

Business Activities

The Hong Kong Branch is a fully licensed bank in Hong Kong and currently focuses on the development of its wholesale banking business. A broad range of financial services are offered by the Hong Kong Branch to serve clients' specific needs, including:

- trade finance including issuance of letters of credit, shipping guarantees, trust receipts, inward collections, advising and confirmation of letters of credit, letters of credit negotiation, outward collections, bill discounts and packing loans;
- corporate finance in the forms of commercial paper issuance, bond underwriting and derivative dealings;
- treasury products, foreign exchange and derivative products, capital markets services, risk management as well as asset and liability management consultancy services;
- lending services including syndicated loans, commercial lending and mortgage lending;
- deposits and remittances; and
- issuance of certificates of deposit.

Hong Kong Regulatory Guidelines

The banking industry in Hong Kong is regulated under the provisions of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (the "**Banking Ordinance**") and subject to the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only banks which have been granted a banking licence by the HKMA may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**licensed banks**").

The provisions of the Banking Ordinance are implemented by the HKMA, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The HKMA supervises licensed banks through, inter alia, a regular information gathering process, the main features of which are as follows:

- each licensed bank must submit a monthly return to the HKMA setting out the assets and liabilities of its principal place of business in Hong Kong and all local branches and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, unless the HKMA permits returns to be made at less frequent intervals;

- the HKMA may order a licensed bank, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary in the interests of the depositors or potential depositors of the licensed bank concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The HKMA may also require a report by a licensed bank's auditors (approved by the HKMA for the purpose of preparing the report) confirming whether or not such information or return is correctly compiled in all material respects;

- licensed banks may be required to provide information to the HKMA regarding companies in which they have an aggregate of 20% or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller (as defined in the Banking Ordinance), with common features in their names or a concert party arrangement to promote the licensed bank's business;

- licensed banks are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations;

- the HKMA may direct a licensed bank to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the licensed bank or the adequacy of the systems of control of the licensed bank or other matters as the HKMA may reasonably require; and

- the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any licensed bank, and in the case of a licensed bank incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such licensed bank. Such inspections are carried out by the HKMA on a regular basis.

In addition, we are also subject to the FIRO. Please refer to "*Risk Factors – Risks relating to the Notes issued under the Programme – The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch*" on page 33 of the Original Offering Circular for further information.

RISK FACTORS

The section entitled *"Risk Factors – Risks Relating to a Particular Issue of Notes"* of the Original Offering Circular shall be supplemented with Chapter 1 of this Drawdown Offering Circular.

PRICING SUPPLEMENT FOR THE HONG KONG BRANCH USD NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The offering circular dated 27 May 2021 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 21 October 2021 (except for Chapter Three to Chapter Six of the drawdown offering circular dated 21 October 2021 which do not apply to the Notes) (the "**Drawdown Offering Circular**", together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Bank. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular no. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao) (the "**Macao Professional Investors**") only. The Offering Circular and this Pricing Supplement are for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Group or the quality of disclosure in the Offering Circular and this Pricing Supplement. MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular and this Pricing Supplement. Potential investors should exercise caution before making investment decisions.

Pricing Supplement dated 21 October 2021

Industrial and Commercial Bank of China Limited, Hong Kong Branch

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

Issue of U.S.$1,000,000,000 1.625 per cent. Notes due 2026 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:	Industrial and Commercial Bank of China Limited, Hong Kong Branch
2.	(i) Series Number:	MTN36
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	United States Dollar (U.S.$)
4.	Aggregate Nominal Amount:	U.S.$1,000,000,000
5.	(i) Issue Price:	99.976 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	U.S.$999,760,000
6.	(i) Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.$1,000
7.	(i) Issue Date:	28 October 2021
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	28 October 2026
9.	Interest Basis:	1.625 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable

13.	Date of regulatory approval for Notes obtained:	Enterprise Foreign Debt Pre-issuance Registration Certificate (中華人民共和國國家發展和改革委員會企業借用外債備案登記證明)(發改辦外資備[2021]446號) published by the National Development and Reform Commission of the People's Republic of China on 3 June 2021.
14.	Listing and trading:	Application will be made to The Stock Exchange of Hong Kong Limited ("**HKSE**") for the listing of the Notes by way of debt issues to Professional Investors only. The expected effective listing date of the Notes on the HKSE is 29 October 2021. Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 29 October 2021. Application has been made to the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) (the "**LuxSE**") to list the Notes on the official list of the LuxSE, to admit the Notes to trading on the professional segment of the Euro MTF market which is a market operated by the LuxSE and to display the Notes on the Luxembourg Green Exchange platform. Expected effective listing date of the Notes on the LuxSE is 29 October 2021. Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 29 October 2021. Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Macao Professional Investors only.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate of Interest:	1.625 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	28 April and 28 October in each year
	(iii)	Fixed Coupon Amount(s):	U.S.$8.125 per Calculation Amount
	(iv)	Day Count Fraction:	30/360
	(v)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable

17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	U.S.$1,000 per Calculation Amount
24.	**Early Redemption Amount** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable

30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction	PRC, Hong Kong
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Industrial and Commercial Bank of China (Asia) Limited ICBC International Securities Limited ICBC Standard Bank Plc Industrial and Commercial Bank of China (Europe) S.A. Industrial and Commercial Bank of China Limited, London Branch Industrial and Commercial Bank of China Limited, Singapore Branch Industrial and Commercial Bank of China (Macau) Limited Agricultural Bank of China Limited Hong Kong Branch Bank of China Limited Bank of China (Hong Kong) Limited BNP Paribas China Construction Bank (Asia) Corporation Limited China Everbright Bank Co., Ltd., Hong Kong Branch Citigroup Global Markets Limited CMB Wing Lung Bank Limited Crédit Agricole Corporate and Investment Bank The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank UBS AG Hong Kong Branch

		Joint Lead Managers and Joint Bookrunners Bank of Communications Co., Ltd. Hong Kong Branch China International Capital Corporation Hong Kong Securities Limited China Securities (International) Corporate Finance Company Limited CLSA Limited CMBC Securities Company Limited Commonwealth Bank of Australia Industrial Bank Co., Ltd. Hong Kong Branch KDB Asia Limited Merrill Lynch (Asia Pacific) Limited Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (together, the "**Joint Lead Managers**")
	(ii) Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private banking rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
42.	ISIN Code:	XS2381043350
43.	Common Code:	238104335

44.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into U.S. dollars, producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable
49.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1 *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any one of the Joint Lead Managers appointed and acting in its capacity as a Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

LISTING APPLICATION

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited (the "**Bank**").

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, HONG KONG BRANCH

By:_____
Duly authorised

CHAPTER THREE
SINGAPORE BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Singapore Branch

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

U.S.$1,050,000,000 1.00 per cent. Notes due 2024 (the "Singapore Branch USD Notes")
issued under the
U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the Singapore Branch USD Notes: 99.814 per cent.

The Singapore Branch USD Notes are issued by the Singapore Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and Drawdown Offering Circular. The denomination of the Singapore Branch USD Notes shall be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Singapore Branch USD Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Singapore Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Singapore Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Singapore Branch USD Notes will be issued in registered form and initially represented by a global note certificate (the "**Singapore Branch USD Notes Global Note Certificate**") which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Singapore Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Singapore Branch USD Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

There are potential Singapore tax consequences for investors in relation to the Singapore Branch USD Notes. Before making an investment decision, persons considering the purchase of the Singapore Branch USD Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any Singapore Branch USD Notes and how to comply with relevant tax obligations under Singapore tax laws. See "*Singapore Taxation" in this Chapter Three.*

Singapore Branch USD Notes

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

CREDIT AGRICOLE CIB	**DBS BANK LTD.**	**HSBC**
ICBC	**SMBC NIKKO**	**STANDARD CHARTERED BANK**

Joint Lead Managers and Joint Bookrunners

AGRICULTURAL BANK OF CHINA LTD		**ANZ**
BANK OF CHINA	**BANK OF COMMUNICATIONS**	**THE BANK OF EAST ASIA, LIMITED**
CHINA CONSTRUCTION BANK (ASIA)	**CHINA EVERBRIGHT BANK, HONG KONG BRANCH**	**CHINA INTERNATIONAL CAPITAL CORPORATION**
CHINA MINSHENG BANKING CORP., LTD.	**CHINA SECURITIES INTERNATIONAL**	**CITIGROUP**
CLSA	**CMB WING LUNG BANK LIMITED**	**E.SUN BANK**
FIRST ABU DHABI BANK	**GUOTAI JUNAN INTERNATIONAL**	**INDUSTRIAL BANK CO., LTD. HONG KONG BRANCH**
MAYBANK	**MIRAE ASSET SECURITIES (SINGAPORE)**	**MUFG**
NATIONAL AUSTRALIA BANK LIMITED	**OCBC BANK**	**SHANGHAI PUDONG DEVELOPMENT BANK HONG KONG BRANCH**
SPDB INTERNATIONAL	**UOB**	**ZHONGTAI INTERNATIONAL SECURITIES (SINGAPORE) PTE. LTD.**

DESCRIPTION OF SINGAPORE BRANCH ISSUER

DESCRIPTION OF SINGAPORE BRANCH

The Bank sees its Singapore branch (the "**Singapore Branch**") as its business centre for the South East Asian region. Over the years, with in-depth understanding of Chinese policies and the China market, the Singapore Branch has developed strategic alliances with many leading multinational companies, Chinese companies, Singapore large corporations and SMEs, enabling it to expand its trade and investment in and out of China. The registered office of the Singapore Branch is at #23-01, 6 Raffles Quay, Singapore.

Business Activities

The Singapore Branch was established in 1993 and is the Bank's first overseas branch. The Singapore Branch provides a range of banking services, including:

- cash management, deposits and remittances;
- overdraft facilities, revolving credit facilities, short-term to long-term financing, syndicated financing, ship/aircraft financing, project financing, pre-export finance, export bills purchase, receivables financing and structured trade financing;
- banker's guarantees, issuance of documentary credits, shipping and airway guarantees, trust receipts, back-to-back letters of credit, forfeiting, letters of credit, telegraphic transfer reimbursement refinancing;
- treasury products, foreign exchange and derivative products, capital markets services and investment banking services;
- financial services for the Shanghai Free Trade Zone; and
- fund administration services, asset management and escrow services.

Singapore Regulatory Guidelines

The Singapore Branch was granted a Wholesale Banking Licence by the Monetary Authority of Singapore ("**MAS**") in 2003. Following the signing of the enhanced banking services commitments under the China-Singapore Free Trade Agreement in July 2012, the Singapore Branch was granted a Qualifying Full Bank ("**QFB**") Licence with effect from 5 October 2012.

The QFB Licence provides greater privileges as a QFB Licensed bank may conduct the full range of banking businesses permitted under the Banking Act, Chapter 19 of Singapore. These privileges allow such banks to operate up to 25 locations in Singapore, share ATMs among other QFB Licensed banks, relocate sub-branches freely, negotiate with the local banks on a commercial basis to permit credit card holders to obtain cash advances through the local bank's automated teller machines ("**ATMs**") networks, provide debit services through an "electronic funds transfer at point of sale" network, offer Supplementary Retirement Scheme and CPF Investment Scheme accounts and accept fixed deposits under the Central Provident Fund Investment Scheme and Minimum Sum Scheme.

Leveraging on its newly conferred QFB privileges, the Singapore Branch converted two of its existing remittance centres into full-fledged sub-branches on 20 October 2013, offering greater coverage to the

Bank's retail banking clients. There are currently nine sub-branches situated at various locations across the island as at the end of December 2020.

On 2 April 2013, the Singapore Branch was authorised by the PBOC as the sole Renminbi ("**RMB**") clearing bank to provide RMB clearing and settlement services in Singapore. Under this arrangement, the banks participating in the RMB clearing and settlement services (the "**Participating Banks**") will be able to access the payment systems and financial markets in China through the Singapore Branch to conduct RMB payments and financial market transactions. On 1 August 2015, the Singapore Branch extended its clearing service window to 24 hours a day, becoming the first commercial bank to launch a 24 hours continuous clearing service for RMB clearing globally. As a testament to the internationalisation of the RMB and the Singapore Branch's commitment towards developing Singapore as a key offshore RMB hub, the Singapore Branch achieved an accumulated clearing volume in excess of RMB332.98 trillion by the end of 2020.

RISK FACTORS

The section entitled *"Risk Factors – Risks Relating to a Particular Issue of Notes"* of the Original Offering Circular shall be supplemented with Chapter 1 of this Drawdown Offering Circular and the following:

SINGAPORE TAXATION RISK

The Singapore Branch USD Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), subject to the fulfilment of certain conditions more particularly described in the section entitled "*Singapore Taxation*" below in this Chapter Three.

However, there is no assurance that the Singapore Branch USD Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

PRICING SUPPLEMENT FOR THE SINGAPORE BRANCH USD NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The offering circular dated 27 May 2021 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 21 October 2021 (except for Chapter Two and Chapter Four to Chapter Six, which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Bank. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular no. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao) (the "**Macao Professional Investors**") only. The Offering Circular and this Pricing Supplement are for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Group or the quality of disclosure in the Offering Circular and this Pricing Supplement. MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular and this Pricing Supplement. Potential investors should exercise caution before making investment decisions.

Pricing Supplement dated 21 October 2021

Industrial and Commercial Bank of China Limited, Singapore Branch
(a joint stock limited company incorporated
in the People's Republic of China with limited liability)

Issue of U.S.$1,050,000,000 1.00 per cent. Notes due 2024
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

1.	Issuer:		Industrial and Commercial Bank of China Limited, Singapore Branch
2.	(i)	Series Number:	MTN37
	(ii)	Tranche Number:	001
3.	Specified Currency or Currencies:		U.S. Dollars ("**U.S.$**")

4.	Aggregate Nominal Amount:	
	(i) Series:	U.S.$1,050,000,000
	(ii) Tranche:	U.S.$1,050,000,000
5.	(i) Issue Price:	99.814 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	U.S.$1,048,047,000
6.	(i) Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.$1,000
7.	(i) Issue Date:	28 October 2021
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	28 October 2024
9.	Interest Basis:	1.00 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Date of regulatory approval for Notes obtained:	Enterprise Foreign Debt Pre-issuance Registration Certificate (中華人民共和國國家發展和改革委員會企業借用外債備案登記證明)(發改辦外資備[2021]446號) published by the National Development and Reform Commission of the People's Republic of China on 3 June 2021
14.	Listing and trading:	Application will be made to The Stock Exchange of Hong Kong Limited ("**HKSE**") for the listing of the Notes by way of debt issues to Professional Investors only. The expected effective listing date of the Notes on the HKSE is 29 October 2021. Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 29 October 2021.

		Application has been made to the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) (the "**LuxSE**") to list the Notes on the official list of the LuxSE, to admit the Notes to trading on the professional segment of the Euro MTF market which is a market operated by the LuxSE and to display the Notes on the Luxembourg Green Exchange platform. Expected effective listing date of the Notes on the LuxSE is 29 October 2021. Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 29 October 2021. Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Macao Professional Investors only.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate of Interest:	1.00 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	28 April and 28 October in each year not adjusted
	(iii) Fixed Coupon Amount:	U.S.$5 per Calculation Amount
	(iv) Day Count Fraction:	30/360
	(v) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable

23.	**Final Redemption Amount of each Note**	U.S.$1,000 per Calculation Amount
24.	**Early Redemption Amount** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 18 (Further Issues) apply
32.	Relevant Tax Jurisdiction	PRC, Singapore
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Crédit Agricole Corporate and Investment Bank, Singapore Branch DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch ICBC International Securities Limited ICBC Standard Bank Plc Industrial and Commercial Bank of China (Asia) Limited Industrial and Commercial Bank of China Limited, Singapore Branch Industrial and Commercial Bank of China (Macau) Limited SMBC Nikko Securities (Hong Kong) Limited Standard Chartered Bank (Singapore) Limited **Joint Lead Managers and Joint Bookrunners** Agricultural Bank of China Limited Hong Kong Branch Agricultural Bank of China Limited, Singapore Branch Australia and New Zealand Banking Group Limited Bank of China (Hong Kong) Limited Bank of China Limited, Singapore Branch Bank of Communications Co., Ltd. Hong Kong Branch The Bank of East Asia, Limited China Construction Bank (Asia) Corporation Limited China Everbright Bank Co., Ltd., Hong Kong Branch China International Capital Corporation Hong Kong Securities Limited China Minsheng Banking Corp., Ltd., Hong Kong Branch China Securities (International) Corporate Finance Company Limited

		Citigroup Global Markets Limited CLSA Singapore Pte Ltd CMB Wing Lung Bank Limited CMBC Securities Company Limited E.SUN Commercial Bank Ltd., Hong Kong Branch First Abu Dhabi Bank PJSC Guotai Junan Securities (Hong Kong) Limited Industrial Bank Co., Ltd. Hong Kong Branch Malayan Banking Berhad Mirae Asset Securities (Singapore) Pte. Ltd. MUFG Securities Asia Limited National Australia Bank Limited (ABN 12 004 044 937) Oversea-Chinese Banking Corporation Limited Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch SPDB International Capital Limited United Overseas Bank Limited Zhongtai International Securities (Singapore) Pte. Ltd.
	(ii) Stabilising Manager(s) (if any):	Any one of the Managers appointed and acting in its capacity as a stabilising manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private banking rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

42.	ISIN Code:	XS2384565508
43.	Common Code:	238456550
44.	Legal Entity Identifier	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable
49.	Ratings:	The Notes to be issued are expected to be rated A1 by Moody's. *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any one of the Managers named as the stabilising manager (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

NO ADVICE OR DUTY

None of the Managers, their related bodies corporate, and/or their directors, officers, employees or clients act as the adviser of or owe any fiduciary or other duties to any recipient of the Offering Circular and this Pricing Supplement in connection with the Notes and/or any related transaction (including, without limitation, in respect of the preparation and due execution of the transaction documents and the power, capacity or authorisation of any other party to enter into and execute the transaction documents). No reliance may be placed on the Managers for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

Persons contemplating purchasing the Notes should make their own decision as to the sufficiency and relevance for their purpose of the information contained in the Offering Circular and this Pricing Supplement and any other offering documentation in respect of the Notes, undertake their own independent investigation of the appropriateness of the Notes for them taking into account their financial and taxation circumstances, investment objectives and particular needs and take all appropriate advice from qualified professional persons as they deem necessary. Any investment decision should rely on that investigation and appraisal and not on the Offering Circular and/or this Pricing Supplement.

Listing Application

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, SINGAPORE BRANCH

By: _____
Duly authorised

SINGAPORE TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by Inland Revenue Authority of Singapore ("**IRAS**") and the MAS in force as at the date of this Drawdown Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Drawdown Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Singapore Branch USD Notes or of any person acquiring, selling or otherwise dealing with the Singapore Branch USD Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Singapore Branch USD Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Singapore Branch USD Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Holders and prospective holders of the Singapore Branch USD Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Singapore Branch USD Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Singapore Branch Issuer, the relevant Joint Lead Managers and any other persons involved in the issue of the Singapore Branch USD Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Singapore Branch USD Notes.*

INTEREST AND OTHER PAYMENTS

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

  (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or

  (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person who is not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from specified financial instruments is exempt from Singapore tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

WITHHOLDING TAX EXEMPTION ON PAYMENTS BY (AMONGST OTHERS) LICENSED BANKS

Pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued during the period from 17 February 2012 to 31 March 2021 (both dates inclusive)[1], provided further that the payment does not arise from a transaction to which the general-anti-avoidance rule in Section 33 of the ITA applies. This withholding tax exemption has been extended until 31 December 2026 to cover debt securities issued by such specified entities from 17 February 2012 to 31 December 2026 (both dates inclusive) pursuant to MAS Circular FDD Cir 04/2021 entitled "Tax Exemption/Waiver of Withholding Tax on Qualifying Payments made by Qualifying Financial Institutions" issued by MAS on 31 May 2021.

Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax). A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

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[1] The end date of 31 December 2026 does not apply for payments made to Singapore branches of non-resident companies as there is a waiver of withholding tax on all section 12(6) ITA and 12(7) ITA payments made to such entities.

QUALIFYING DEBT SECURITIES

Where more than half of the debt securities issued under a tranche of the Singapore Branch USD Notes during the period from the date of this Drawdown Offering Circular to 31 December 2023 are distributed by Financial Sector Incentive (Bond-Market) Companies, Financial Sector Incentive (Capital Market) Companies or Financial Sector Incentive (Standard Tier) Companies (each as defined in the ITA), that tranche of the Singapore Branch USD Notes (the "**Relevant Notes**") would be, pursuant to the ITA, "qualifying debt securities" ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may prescribe, and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Singapore Branch Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for "qualifying debt securities" shall not apply if the non-resident person acquires the Relevant Notes using the funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a holder who is not resident in Singapore and who:

    (i) does not have any permanent establishment in Singapore; or

    (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore,

    are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS in respect of the Relevant Notes in the prescribed format and within such period as the MAS may prescribe, and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant financial sector incentive(s), who may be taxed at different rates); and

(c) subject to:

    (i) the Singapore Branch Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (ii) the furnishing to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format and within such period as the MAS may prescribe, and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Singapore Branch Issuer.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) is derived from the Relevant Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to less than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Singapore Branch Issuer, such Relevant Notes would not qualify as QDS; and

(b) even though the Relevant Notes are QDS, if at any time during the tenure of such Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded directly or indirectly, by any related party(ies) of the Singapore Branch Issuer, Qualifying Income derived from such Relevant Notes held by:

    (i) any related party of the Singapore Branch Issuer; or

    (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Singapore Branch Issuer,

    shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

For the purposes of the ITA and this Singapore tax disclosure:

"**break cost**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**" means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**" means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

GAINS ON DISPOSAL OF NOTES

Any gains considered to be in the nature of capital made from the sale of the Singapore Branch USD Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Singapore Branch USD Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Singapore Branch USD Notes who apply or are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**"), Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Singapore Branch USD Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

ADOPTION OF FRS 39, FRS 109 OR SFRS(I) 9 TREATMENT FOR SINGAPORE INCOME TAX PURPOSES

Subject to certain "opt-out" provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax Guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax Guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments (Second Edition)".

Holders of the Singapore Branch USD Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

ESTATE DUTY

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SINGAPORE BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Singapore Branch
6 Raffles Quay #23-01,
Singapore 048580

AUDITORS

AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

CURRENT AUDITOR

Deloitte
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen's Road
Central
Hong Kong

LEGAL ADVISERS

To the Singapore Branch Issuer as to PRC law

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One ICC Shanghai International Commerce Center
999 Middle Huai Hai Road
Xuhui District
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P.R. China

To the Joint Lead Managers as to PRC law

Jingtian & Gongcheng
34th Floor, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing,
China

To the Joint Lead Managers as to English and Singapore law

Allen & Overy
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

CHAPTER FOUR
LUXEMBOURG BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Luxembourg Branch

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

EUR500,000,000 0.125 per cent. Notes due 2024 (the "EUR Notes")
issued under the
U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the EUR Notes: 99.785 per cent.

The EUR Notes are issued by the Luxembourg Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the EUR Notes shall be EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The EUR Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Luxembourg Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Luxembourg Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The EUR Notes will be issued in registered form and initially represented by a global note certificate (the "**EUR Notes Global Note Certificate**") which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Luxembourg Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the EUR Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

There are potential Luxembourg tax consequences for investors in relation to the EUR Notes. Before making an investment decision, persons considering the purchase of the EUR Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any EUR Notes and how to comply with relevant tax obligations under Luxembourg tax laws. See "*Luxembourg Taxation*" in this Chapter Four.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Citigroup	Crédit Agricole CIB	Natixis	Société Générale Corporate & Investment Banking

Joint Lead Managers and Joint Bookrunners

Bank of China	BIL	China Construction Bank	China International Capital Corporation
Rabobank		Deutsche Bank	ICBC
SEB		UBS Investment Bank	

DESCRIPTION OF LUXEMBOURG BRANCH ISSUER

Industrial and Commercial Bank of China Ltd., Luxembourg Branch (the "**Luxembourg Branch**") was registered with the Trade and Companies Register in Luxembourg on 30 November 1999 under number B72531. The address of the Luxembourg Branch is at 32 Boulevard Royal L-2449 Luxembourg, the Grand Duchy of Luxembourg.

The Luxembourg Branch is authorised and regulated by the China Banking and Insurance Regulatory Commission and is authorised in Luxembourg in accordance with article 32 of the law of 5 April 1993 on the financial sector, as amended (the "**Luxembourg Financial Sector Law**") and is under the supervision of the Commission de Surveillance du Secteur Financier (the "**CSSF**"). The Luxembourg Branch appears on the list of the entities authorised and supervised by the CSSF which is available on the CSSF's website: www.cssf.lu. The Luxembourg Branch has the license to perform in Luxembourg all operations a credit institution is authorised to perform pursuant to article 32 of the Luxembourg Financial Sector Law.

The Luxembourg Branch uses the Group's advantages and regional resources to provide comprehensive financial services for Chinese companies in Europe while attracting target customers on the local market.

The Luxembourg Branch provides a variety of services, including (i) providing cash management solutions to the clients, to strengthen their account management, payment management and liquidity management; (ii) acceptance of deposits and other repayable funds; (iii) payment services; (iv) giving guarantees; (v) trading for own account or for account of customers in money-market instruments (cheques, bills, certificates of deposit, etc.), foreign exchange, financial futures and options, exchange and interest-rate instruments, transferable securities; (vi) lending; (vii) participation in securities issues and the provision of services related to such issues; (viii) granting credits or loans to investors to allow investors to carry out transactions in one or more financial instruments, where the firm granting the credit or loan is involved in the transactions; (ix) advising entities on capital structure; (x) advising and providing services relating to mergers and the purchase of entities; (xi) foreign exchange services where these are connected to the provision of investment services; and (xii) services related to underwriting.

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

The CSSF is the supervisory authority of the Luxembourg financial sector. Its duties and its field of competence are provided for in the organic Law of 23 December 1998. The CSSF cooperates with the Banque Centrale du Luxembourg, the European supervisory authorities and the other supervisory authorities and resolution authorities at the European and international level.

The CSSF is the competent authority of the prudential supervision of credit institutions, professionals of the financial sector (investment firms, specialised PFS, support PFS), management companies, alternative investment fund managers, undertakings for collective investment, pension funds (SEPCAV and ASSEP), SICARs, authorised securitisation undertakings, fiduciary-representatives having dealings with a securitisation undertaking, regulated markets and their operators, multilateral trading facilities, payment institutions and electronic money institutions. It also supervises the securities markets, including their operators and ensures compliance by the supervised professionals with the laws protecting financial consumers.

In pursuing its objectives, the CSSF seeks to apply an approach in line with the international standards, in accordance with the principle of proportionality. The CSSF's prudential supervision and supervision of the markets aim at the following:

- ensuring the safety and soundness of the financial sector, solely in the public interest;
- ensuring that the authorised entities and the issuers are complying with the regulations applicable to them, including those aiming to ensure the protection of the financial consumers;
- preventing the use of the financial sector for the purposes of money laundering or terrorist financing;
- ensuring an independent, forward-looking and risk-based supervision; and
- promoting transparency, simplicity and fairness on the markets of financial products and services.

APPOINTMENT AS RENMINBI (RMB) CLEARING BANK

On 16 September 2014, the Luxembourg Branch was designated by the PBOC as the sole Renminbi (RMB) clearing bank to provide RMB account and clearing services in the Grand Duchy of Luxembourg. Under this arrangement, the banks participating in the RMB account and clearing services (the "**Participating Banks**") will be able to access the payment systems and financial markets in China through the Luxembourg Branch to conduct RMB payments and financial market transactions. The Luxembourg Branch will also be able to provide RMB liquidity support to the Participating Banks.

RISK FACTORS

The section entitled *"Risk Factors – Risks Relating to a Particular Issue of Notes"* of the Original Offering Circular shall be supplemented with Chapter 1 of this Drawdown Offering Circular.

PRICING SUPPLEMENT FOR THE EUR NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The offering circular dated 27 May 2021 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 21 October 2021 (except for Chapter Two, Chapter Three, Chapter Five and Chapter Six, which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Bank. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular no. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao) (the "**Macao Professional Investors**") only. The Offering Circular and this Pricing Supplement are for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Group or the quality of disclosure in the Offering Circular and/or this Pricing Supplement. MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular and/or this Pricing Supplement. Potential investors should exercise caution before making investment decisions.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 21 October 2021

Industrial and Commercial Bank of China Limited, Luxembourg Branch

(the Luxembourg branch of Industrial and Commercial Bank of China Limited (a joint stock limited company incorporated in the People's Republic of China with limited liability), having its registered address at 32, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B72531)

Issue of EUR500,000,000 0.125 per cent. Notes due 2024 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:	Industrial and Commercial Bank of China Limited, Luxembourg Branch
2.	(i) Series Number:	MTN38
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	Euros ("**EUR**")
4.	Aggregate Nominal Amount:	EUR500,000,000
5.	(i) Issue Price:	99.785 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	EUR498,925,000
6.	(i) Specified Denominations:	EUR100,000 and integral multiples of EUR1,000 in excess thereof
	(ii) Calculation Amount:	EUR1,000
7.	(i) Issue Date:	28 October 2021
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	28 October 2024
9.	Interest Basis:	0.125 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable

13.	Date of regulatory approval for Notes obtained:	Enterprise Foreign Debt Pre-issuance Registration Certificate (中華人民共和國國家發展和改革委員會企業借用外債備案登記證明)(發改辦外資備[2021]446號) published by the National Development and Reform Commission of the People's Republic of China on 3 June 2021
14.	Listing and trading:	The Stock Exchange of Hong Kong Limited ("**HKSE**"). The expected effective listing date of the Notes on the HKSE is 29 October 2021. Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 29 October 2021. Application has been made to the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) (the "**LuxSE**") to list the Notes on the official list of the LuxSE, to admit the Notes to trading on the professional segment of the Euro MTF market which is a market operated by the LuxSE and to display the Notes on the Luxembourg Green Exchange platform. Expected effective listing date of the Notes on the LuxSE is 29 October 2021. Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 29 October 2021. Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Macao Professional Investors only.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**		Applicable
	(i)	Rate of Interest:	0.125 per cent. per annum payable annually in arrear
	(ii)	Interest Payment Date(s):	28 October in each year, commencing on 28 October 2022 up to and including the Maturity Date
	(iii)	Fixed Coupon Amount(s):	EUR1.25 per Calculation Amount
	(iv)	Day Count Fraction:	Actual/Actual (ICMA)
	(v)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable

17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	EUR1,000 per Calculation Amount
24.	**Early Redemption Amount** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	EUR1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable

30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction	PRC, Luxembourg
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank ICBC International Securities Limited Natixis Société Générale **Joint Lead Managers and Joint Bookrunners** Bank of China Limited, Luxembourg Branch Banque Internationale à Luxembourg SA China Construction Bank (Europe) S.A. China International Capital Corporation Hong Kong Securities Limited Coöperatieve Rabobank U.A. Deutsche Bank Aktiengesellschaft ICBC Standard Bank Plc Industrial and Commercial Bank of China (Asia) Limited Industrial and Commercial Bank of China (Europe) S.A Industrial and Commercial Bank of China (Macau) Limited Skandinaviska Enskilda Banken AB (publ) UBS AG London Branch
	(ii)	Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager

36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private banking rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

42.	ISIN Code:	XS2384014705
43.	Common Code:	238401470
44.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S.$1: EUR0.8625, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$579,710,145
49.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1 *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any of the Joint Lead Managers named as Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FINAL TERMS

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited (the "**Bank**").

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, LUXEMBOURG BRANCH

By: _____
Duly authorised

LUXEMBOURG TAXATION

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Investors should consult their professional advisers.

WITHHOLDING TAX

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

In accordance with the law of December 23, 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20% withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

INCOME TAXATION ON PRINCIPAL, INTEREST, GAINS ON SALES OR REDEMPTION

Luxembourg tax residency of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realised upon disposal or repayment of the Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see above "*Withholding Tax*") or to the self-applied tax, if applicable. Indeed, in accordance with the Luxembourg law of December 23, 2005, as amended, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20% tax on interest payments by paying agents located in an EU Member State other than Luxembourg or a Member State of the European Economic Area other than an EU Member State.

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 20% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest will be subject to the 20% withholding tax or self-applied tax, if applicable. Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income. The 20% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate Noteholders, or non-resident Noteholders which have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders which are benefitting from a special tax regime (such as family wealth management companies subject to the law of May 11, 2007, undertakings for collective investment subject to the law of December 17, 2010 or specialised investment funds subject to the law of February 13, 2007 or reserved alternative investment funds governed by the law of 23 July 2016, provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

NET WEALTH TAX

Luxembourg net wealth tax will not be levied on the Notes held by a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by (i) the laws of December 17, 2010 and February 13, 2007 on undertakings for collective investment; (ii) the law of March 22, 2004 on securitisation; (iii) the law of June 15, 2004 on the investment company in risk capital; (iv) the law of May 11, 2007 on family estate management companies; or (v) the law of 23 July 2016 on reserved alternative investment funds, or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

OTHER TAXES

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes, unless the documents relating to the Notes are voluntarily registered or appended to a document that requires mandatory registration in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Noteholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes. No Luxembourg gift tax is levied upon a gift or donation of the Notes, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

LUXEMBOURG BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Luxembourg Branch
32, Boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

AUDITORS

AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

CURRENT AUDITOR

Deloitte
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT AND TRANSFER AGENT

The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen's Road Central
Hong Kong

REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen's Road Central
Hong Kong

LEGAL ADVISERS

To the Luxembourg Branch Issuer as to PRC law

King & Wood Mallesons
17th Floor
One ICC Shanghai International Commerce Center
999 Middle Huai Hai Road
Xuhui District
Shanghai, 200031
P.R. China

To the Luxembourg Branch Issuer as to English and Luxembourg laws

Linklaters
11th Floor
Alexandra House
Chater Road
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To the Joint Lead Managers as to PRC law

Jingtian & Gongcheng
34th Floor, Tower 3
China Central Place
77 Jianguo Road
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To the Joint Lead Managers as to English law

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

CHAPTER FIVE
LONDON BRANCH ISSUER

Industrial and Commercial Bank of China Limited, London Branch

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

GBP250,000,000 1.625 per cent. Notes due 2025 (the "GBP Notes")
issued under the
U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the GBP Notes: 99.662 per cent.

The GBP Notes are issued by the London Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the GBP Notes shall be GBP100,000 and integral multiples of GBP1,000 in excess thereof.

The GBP Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the London Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the London Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The GBP Notes will be issued in registered form and initially represented by a global note certificate (the "**GBP Notes Global Note Certificate**") which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").

UK MIFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the London Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the GBP Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

There are potential UK tax consequences for investors in relation to the GBP Notes. Before making an investment decision, persons considering the purchase of the GBP Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any GBP Notes and how to comply with relevant tax obligations under UK tax laws. See "*UK Taxation*" in this Chapter Five.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Barclays | Citigroup | Crédit Agricole CIB | HSBC | ICBC | Standard Chartered Bank

Joint Lead Managers and Joint Bookrunners

Bank of China | BNP PARIBAS | China Zheshang Bank Co., Ltd. (Hong Kong Branch) | CMBC Capital

DBS Bank Ltd. | ICBC | J.P. Morgan

DESCRIPTION OF LONDON BRANCH ISSUER

On 8 September 2014, the Prudential Regulation Authority (the "**PRA**") and the Financial Conduct Authority (the "**FCA**") authorised the Bank to establish a branch in London (the "**London Branch**"). The registered office of the London Branch is at 81 King William Street, London EC4N 7BG, United Kingdom, with company number FC031145 and branch number BR016211. The London Branch is also authorised and regulated by the China Banking and Insurance Regulatory Commission.

BUSINESS ACTIVITIES

The establishment of the London Branch expands the Bank's capacity in the UK, particularly in the UK wholesale financial services markets, to support further business and trade development between the UK and China. The London Branch provides a range of diversified financial products to its Chinese, UK and international clients in various sectors including commodities, manufacturing, commercial real estate and financial services. Products offered include commercial lending (syndicated loans), trade finance, clearing and cash management. The London Branch is able to take advantage of the Group's regional resources to provide comprehensive financial services for Chinese and international companies globally while attracting target customers on the local market.

LEGAL STATUS

In order for a branch of a bank incorporated outside the UK to operate in the UK, it must register with the Registrar of Companies (England and Wales) pursuant to The Overseas Companies Regulations 2009 (SI 2009/1801) (Regulations). Pursuant to the Companies Act 2006, section 1048(3), an alternative name registered with the Registrar of Companies (England and Wales) by an overseas company is treated for all purposes of law applying in the UK as that company's corporate name. Therefore, "Industrial and Commercial Bank of China Limited, London Branch" is merely the corporate name of the Bank in the UK, and the London Branch has no separate legal personality from the Bank. As a result of the foregoing, in the case of any default by the London Branch under the GBP Notes and any subsequent enforcement of an arbitral award in connection therewith, all claims of the holders of the GBP Notes against the London Branch shall rank *pari passu* with the claims of other senior unsecured creditors of the Bank.

OVERVIEW OF THE UK REGULATORY FRAMEWORK

Prudential Regulation Authority

The PRA, as part of the Bank of England (the "**BoE**"), is the UK's prudential regulator for deposit-takers, insurance companies and designated investment firms.

The PRA was given a general objective to promote the safety and soundness of the firms it regulates, focusing on the adverse effects that they can have on the stability of the UK financial system. The PRA also has a secondary objective to act in a way (so far as is reasonably possible) to facilitate effective competition in the markets for services provided by PRA-authorised firms.

The Prudential Regulation Committee (the "**Committee**") is the body within the BoE responsible for exercising the BoE's functions as the PRA. The Committee is independent in all its decision-making functions, including making rules and the PRA's most important supervisory and policy decisions.

Financial Conduct Authority

The FCA:

- is responsible for the conduct of business regulation of all firms authorised under the Financial Services and Markets Act 2000;

- is responsible for the prudential regulation of firms not regulated by the PRA. These firms are sometimes referred to as FCA-only firms or FCA-authorised firms; and

- is responsible for the regulation of conduct in retail and wholesale financial markets and supervision of the trading infrastructure that supports those markets.

The FCA has a strategic objective and three operational objectives:

- The strategic objective is to ensure that the "relevant markets" function well.

- The operational objectives are:

    o to secure an appropriate degree of protection for consumers;

    o to protect and enhance the integrity of the UK financial system; and

    o to promote effective competition in the interests of consumers.

The FCA is also obliged to discharge its general functions in a way that promotes competition.

RISK FACTORS

The section entitled *"Risk Factors – Risks Relating to a Particular Issue of Notes"* of the Original Offering Circular shall be supplemented with Chapter 1 of this Drawdown Offering Circular.

PRICING SUPPLEMENT FOR THE GBP NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The offering circular dated 27 May 2021 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 21 October 2021 (except for Chapter Two, Chapter Three, Chapter Four and Chapter Six, which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Bank. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular no. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao) (the "**Macao Professional Investors**") only. The Offering Circular and this Pricing Supplement are for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Group or the quality of disclosure in the Offering Circular and/or this Pricing Supplement. MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular and/or this Pricing Supplement. Potential investors should exercise caution before making investment decisions.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 21 October 2021

Industrial and Commercial Bank of China Limited, London Branch
(a joint stock limited company incorporated
in the People's Republic of China with limited liability)

Issue of GBP250,000,000 1.625 per cent. Notes due 2025 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:		Industrial and Commercial Bank of China Limited, London Branch
2.	(i)	Series Number:	MTN39
	(ii)	Tranche Number:	001

3.	Specified Currency or Currencies:		British Pounds ("**GBP**")
4.	Aggregate Nominal Amount:		GBP250,000,000
5.	(i)	Issue Price:	99.662 per cent. of the Aggregate Nominal Amount
	(ii)	Gross Proceeds:	GBP249,155,000
6.	(i)	Specified Denominations:	GBP100,000 and integral multiples of GBP1,000 in excess thereof
	(ii)	Calculation Amount:	GBP1,000
7.	(i)	Issue Date:	28 October 2021
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		28 December 2025
9.	Interest Basis:		1.625 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/Payment Basis:		Not Applicable
12.	Put/Call Options:		Not Applicable
13.	Date of regulatory approval for Notes obtained:		Enterprise Foreign Debt Pre-issuance Registration Certificate (中華人民共和國國家發展和改革委員會企業借用外債備案登記證明)(發改辦外資備[2021]446號) published by the National Development and Reform Commission of the People's Republic of China on 3 June 2021
14.	Listing and trading:		The Stock Exchange of Hong Kong Limited ("**HKSE**"). The expected effective listing date of the Notes on the HKSE is 29 October 2021. Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 29 October 2021. Application has been made to the Luxembourg Stock Exchange (*Société de la Bourse de Luxembourg*) (the "**LuxSE**") to list the Notes on the official list of the LuxSE, to admit the Notes to trading on the professional segment of the Euro MTF market which is a market operated by the LuxSE and to display the Notes on the Luxembourg Green Exchange platform. Expected effective listing date of the Notes on the LuxSE is 29 October 2021. Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 29 October 2021.

		Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**") for the listing of the Notes by way of debt issues to Macao Professional Investors only.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate of Interest:	1.625 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	28 December in each year, commencing on 28 December 2021 up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	GBP16.25 per Calculation Amount except for the first Interest Period
	(iv) Broken Amount(s):	The amount payable per Calculation Amount in respect of the first Interest Period from (and including) the Issue Date to (but excluding) 28 December 2021 (short first coupon) shall be determined in accordance with Condition 5(d).
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	GBP1,000 per Calculation Amount
24.	**Early Redemption Amount**	GBP1,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction	PRC, England
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Barclays Bank PLC Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank HSBC Bank plc ICBC Standard Bank Plc Standard Chartered Bank

		Joint Lead Managers and Joint Bookrunners Bank of China Limited, London Branch BNP Paribas China Zheshang Bank Co., Ltd. (Hong Kong Branch) CMBC Securities Company Limited DBS Bank Ltd. ICBC International Securities Limited Industrial and Commercial Bank of China (Asia) Limited J.P. Morgan Securities PLC (together, the "**Joint Lead Managers**")
	(ii) Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private banking rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
42.	ISIN Code:	XS2384533563
43.	Common Code:	238453356
44.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S.$1: GBP0.7241, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$345,256,180
49.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1 *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any of the Joint Lead Managers named as Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FINAL TERMS

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited (the "**Bank**").

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, LONDON BRANCH

By: _____
Duly authorised

UK TAXATION

*The comments below are of a general nature based on current UK tax law as applied in England and Wales and HM Revenue and Customs ("**HMRC**") published practice (which may not be binding on HMRC) and are not intended to be exhaustive. They relate only to the position of persons who hold their Notes as investments and only apply to persons who are absolute beneficial owners of the Notes. The comments below do not necessarily apply where the income is deemed for tax purposes to be the income of any other person and may not apply to certain classes of person such as dealers or certain professional investors. Any Noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.*

WITHHOLDING TAX ON PAYMENTS OF INTEREST ON NOTES THAT HAS A UK SOURCE (THE "UK NOTES")

References to "interest" in this section mean interest as understood for UK withholding tax purposes. Any redemption premium may be "interest" for these purposes, although the position will depend upon the particular terms and conditions. For UK Notes issued at a discount, the difference between the face value and the issue price will not generally be regarded as "interest" for these purposes.

While the UK Notes are and continue to be admitted to trading on a multilateral trading facility operated by a UK, Gibraltar or an EEA-regulated recognised stock exchange within the meaning of Sections 987 and 1005 Income Tax Act 2007 ("**ITA 2007**"), payments of interest on the UK Notes may be made without withholding or deduction for or on account of UK income tax. The International Securities Market is a multilateral trading facility operated by a UK, Gibraltar or EEA-regulated recognised stock exchange (the London Stock Exchange) for these purposes.

Payments of interest on the UK Notes may be made without deduction of or withholding for or on account of United Kingdom income tax provided that the UK Notes carry a right to interest and while the UK Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the ITA 2007. The Hong Kong Stock Exchange is a recognised stock exchanges for these purposes. The UK Notes will satisfy this requirement if they are both officially listed in Hong Kong in accordance with provisions correspondence to those generally applicable in EEA states and are admitted to trading on the Hong Kong Stock Exchange. The LuxSE is a recognised stock exchange. The UK Notes will satisfy this requirement if they are both officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the LuxSE. The SGX-ST is a recognised stock exchange. The UK Notes will satisfy this requirement if they are both officially listed in Singapore in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the SGX-ST. Provided, therefore, that the UK Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the UK Notes will be payable without deduction of or withholding on account of United Kingdom tax. The MOX is not a "recognised stock exchange" for these purposes.

In other cases, an amount must generally be withheld from payments of interest that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the London Branch Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

WITHHOLDING TAX ON PAYMENTS OF INTEREST ON NOTES ISSUED BY THE BANK WHICH DO NOT HAVE A UK SOURCE

The analysis set out in the above paragraph applies to payments of interest where such interest has a UK source. If such interest does not have a UK source then payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

LONDON BRANCH ISSUER

Industrial and Commercial Bank of China Limited, London Branch
81 King William Street,
London EC4N 7BG
United Kingdom

AUDITORS

AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

CURRENT AUDITOR

Deloitte
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT AND TRANSFER AGENT

The Hongkong and Shanghai Banking Corporation Limited
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1 Queen's Road Central
Hong Kong

REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
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LEGAL ADVISERS

To the London Branch Issuer as to PRC law

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International Commerce Center
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P.R. China

To the London Branch Issuer as to English laws

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Chater Road
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To the Joint Lead Managers as to PRC law

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77 Jianguo Road
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To the Joint Lead Managers as to English laws

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

CHAPTER SIX
MACAU BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Macau Branch

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

MOP2,000,000,000 0.60 per cent. Notes due 2023 (the "MOP Notes")

issued under the

U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the MOP Notes: 100 per cent.

The MOP Notes are issued by the Macau Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the MOP Notes shall be MOP5,000,000.

The MOP Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Macau Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Macau Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The MOP Notes will be represented initially by interests in a global note certificate (the "**MOP Notes Global Note Certificate**") in registered form which will be registered in the name of, and shall be deposited on the Issue Date with MOX. Interests in the MOP Notes Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by MOX. Except as described herein, certificates for the MOP Notes will not be issued in exchange for interests in the MOP Notes Global Note Certificate.

The MOP Notes will be issued on the terms set out herein under "*Terms and Conditions of the MOP Notes*" in this Chapter Six (the "**Terms and Conditions of the MOP Notes**") as amended and/or supplemented by the Pricing Supplement specific to the MOP Notes (which is included in this Chapter Six).

An application of the offering of the MOP Notes in Macau was reported to the Monetary Authority of Macao (the "**AMCM**") and the offering of the MOP Notes is one of the bank operations carried out by the Macau Branch Issuer in accordance with the authorisations of the Chief Executive pursuant to Section 17(a) of the Financial System Act, as approved by Decree Law no. 32/93/M dated 5 July 1993. The authorisation of operation of banking business in relation to the offering of the MOP Notes by the Chief Executive does not imply a judgment or guarantee regarding any of the risks involving the Macau Branch Issuer, investment risks of the MOP Notes, profit or any other element of the investment.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Macau Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the MOP Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

There are potential Macau tax consequences for investors in relation to the MOP Notes. Before making an investment decision, persons considering the purchase of the MOP Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any MOP Notes and how to comply with relevant tax obligations under Macau tax laws. See "*Macau Taxation*" and "*Risk Factors – There may be Macau tax consequences for investors if the current exemption for Complementary Income Tax and stamp duty in relation to the Notes is not renewed or extended*" in this Chapter Six. As the MOP Notes will be registered in the name of, and shall be deposited with MOX, investors should carefully consider the information provided in relation to MOX. See "*MOX Clearance and Settlement*", "*Risk Factor – The Notes will initially be represented by the MOP Notes Global Note Certificate and holders of a beneficial interest in the MOP Notes Global Note Certificate must rely on the procedures of the relevant Clearing System*", "*Risk Factor – New legislation or changes in the regulatory guidelines for the issuing and underwriting of Notes in Macau*", and "*Risk Factor – New trading platform provided by MOX*" for more details.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

ICBC

Bank of China Macau Branch	Agricultural Bank of China Limited Macao Branch	CCB Macau Branch	BOCOM Macau Branch
Banco Nacional Ultramarino	Luso Bank Ltd.	CGB Macau Branch	Macau Chinese Bank

THE ISSUE

In respect of the MOP Notes only, the section entitled "Overview of the Programme" of the Original Offering Circular shall be deleted in its entirety and replaced by the following:

The following contains summary information about the MOP Notes. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in the section entitled "Terms and Conditions of the MOP Notes" and "Summary of Provisions Relating to the MOP Notes while in Global Form" of this Chapter Six shall have the same meanings in this summary. For a comprehensive description of the terms of the Notes, see the section entitled "Terms and Conditions of the MOP Notes" of this Chapter Six.

Issuer	Industrial and Commercial Bank of China Limited, Macau Branch
Issue	MOP2,000,000,000 in aggregate principal amount of 0.60 per cent. Notes due 2023.
Issue Price	100 per cent.
Issue Date	28 October 2021.
Form and Denomination	The Notes will be issued in registered form in denominations of MOP5,000,000.
Interest	The Notes will bear interest from and including the Issue Date, at the rate of 0.60 per cent. per annum, payable in arrear on 28 April and 28 October in each year and each adjusted in accordance with Modified Following Business Day Convention (each an "**Interest Payment Date**"). "**Modified Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day. "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments generally in Macao Special Administrative Region of the People's Republic of China.
Maturity Date	The Interest Payment Date falling on or nearest to 28 October 2023.
Status of the Notes	The Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Events of Default	The Notes will contain certain events of default provisions as further described in Condition 13.

Taxation	All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law, as further described in Condition 12. In such event, the Issuer shall, subject to the limited exceptions specified in the Conditions, pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.
Scheduled Redemption	Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date.
Redemption for Tax Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to giving such notice that (1) it has or will become obliged to pay additional amounts as provided or referred to in Condition 12 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 October 2021 and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, as further described in Condition 9(b).
Clearing System	The Notes will be represented initially by interests in the Global Note Certificate, which will be registered in the name of the MOX, and lodged with the MOX on the Issue Date. For so long as any of the Notes are represented by the Global Note Certificate and the Global Note Certificate is held by or on behalf of MOX, any transfer of principal amounts and interest of Notes shall be effected in accordance with the rules and procedures for the time being of the MOX. Except in the limited circumstances described in the Global Note Certificate, owners of interests in Notes represented by the Global Note Certificate will not be entitled to receive definitive Note Certificates in respect of their individual holdings of the Notes.

Clearance and Settlement	The Notes will be cleared through MOX (GIIN Number: X309AU.99999.SL.446). The ISIN for the Notes is MO000A3KV710.
Governing Law and Jurisdiction	English law and the exclusive jurisdiction of Hong Kong courts.
Trustee	Luso International Banking Ltd.
Principal Paying Agent, Transfer Agent, MOX Lodging Agent and Registrar	Bank of China Limited, Macau Branch
Date of Notification to the Monetary Authority of Macao	19 August 2021
Further Issues	The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and if applicable, the timing for notification to the NDRC) so as to form a single series with the Notes, as further described in Condition 18.

DESCRIPTION OF MACAU BRANCH ISSUER

On 28 September 2019, the AMCM authorised the Bank to establish a branch in Macau. The registered office of the Macau Branch is at Alameda Dr. Carlos D'Assumpção, No.˚ 393-437, NAPE, Dynasty Plaza, 9 Andar, Macau with company number 79948 SO. The establishment of the Macau Branch has fostered the cooperation between the Bank and other international financial institutions, thus providing clients with even more excellent and convenient financial services.

The Macau Branch is a fully licensed bank in Macau and currently focuses on the development of wholesale banking business. A broad range of customised financing services, including syndicated loans, cross-border services, corporate finance, project finance and trade finance services, are provided to serve clients' specific needs. The Macau Branch also makes great efforts to develop the treasury and capital markets businesses. A variety of services, such as settlement and foreign exchange trading services are offered to meet clients' requirements.

MACAU LAWS AND REGULATORY GUIDELINES

The banking sector in Macau is regulated by the Financial System Act (the "**FSA**"), as approved by Decree Law no. 32/93/M dated 5 July 1993, a decree law that has been in force since September 1993. At implementation level, the banking sector in Macau is regulated by notices published from time to time in the Official Gazette of Macau Special Administrative Region, as well as regulations, notices, guidelines, and circulars and instructions issued by the AMCM. Such publications are aimed at regulating the financial market and the functioning of financial institutions pursuant to the authority assigned to AMCM by FSA, which combines a regulatory and a supervisory function, and the statutory law that created the AMCM and Decree Law no. 14/96/M of 11 March 1996 which defined its powers.

Under the FSA, the banking licences are granted on a case by case basis by the Chief Executive of Macao, on advice from AMCM. The FSA provides that only banks which have been granted a banking licence may carry on banking business in Macau, the principal function of which is to promote the general stability and effectiveness of the banking system. The AMCM supervises licensed banks through a regular information gathering process or other process it deems necessary to carry out, the main features of which are as follows:

- each licensed bank must submit a monthly report to the AMCM setting out the assets and liabilities of its principal place of business in Macau and all local branches and a further comprehensive quarterly return report relating to its principal place of business in Macau and all local branches, unless the AMCM permits returns to be made at less frequent intervals;

- AMCM may, either through its own examiners or through an appointed entity or individual, examine the books, accounts, transactions and other relevant records and documents of financial institutions at any time, with or without prior notice, as well as check the existence of any kind of valuables; and

- supervision of financial institutions may be carried out on their own premises, and AMCM may confiscate any documents or valuables which constitute the subject of the offence or which are deemed necessary for legal proceedings.

The section entitled *"Risk Factors – Risks Relating to a Particular Issue of Notes"* of the Original Offering Circular shall be supplemented with Chapter 1 of this Drawdown Offering Circular and the following:

There may be Macau tax consequences for investors if the current exemption for Complementary Income Tax and stamp duty in relation to the Notes is not renewed or extended.

Complementary Income Tax

The Complementary Income Tax shall be considered as profit tax in commercial or industrial activities which charges the taxpayer on the actual profit or estimated profit as obtained in Macau pursuant to section 2 of the Regulation of Complementary Income Tax, as approved by Law no. 21/78/M dated 9 September 1978, and its section 20 sets out that distribution on Notes or capital gains arising from the sale of the Notes are taxable income for calculating profit.

As per the Regulation of Complementary Income Tax, the tax rate of Complementary Income Tax is up to 12% (subject to any double taxation agreement as may be entered into between Macau and the relevant jurisdiction of the taxpayer).

The beneficiary of the Notes' interest shall be the taxpayer of the Complementary Income Tax.

There is no withholding or deduction requirement imposed on the Macau Branch Issuer in respect of payments of principal or distribution in respect of the Notes or in respect of any capital gains arising from the sale of the Notes. As the Macau Branch Issuer is not obliged to withhold or deduct the Complementary Income Tax under Macau law, the Macau Branch Issuer has no obligation to gross up for such tax under Condition 12 of the Terms and Conditions of the MOP Notes. The beneficiary of the Notes' interest is required to complete the related tax enrolment procedure for the fulfilment of the tax duties in connection with the Notes.

The beneficiary of the Notes' interest who is not a Macau resident shall also submit documents to the Macau tax authority (which is the Finance Service Bureau) for the registration as taxpayer in Macau. If the beneficiary fails to submit the tax filings accurately within the prescribed time period, the Macau tax authority may impose a penalty of up to MOP20,000.

If the beneficiary fails to pay Complementary Income Tax within 60 days from the prescribed time period, the Macau tax authority may impose the payment of late interests as well as an extra payment of 3% over the amount of Complementary Income Tax payable.

The latest amendment of the Regulation of Complementary Income Tax (Law no. 21/2019) stipulates exemptions from Complementary Income Tax in relation to the interest payment from the notes and capital gained or profit from sale and purchase, redemption or other forms of disposal of three types of bonds (including government bonds, local government bonds and central SOE bonds). However, none of such exemptions is applicable to the Notes.

Nevertheless, under Article 25 of the Budget Law for the year 2021 (Law no. 27/2020) during the year of 2021, Complementary Income Tax in relation to the interest payment from the Notes and capital gained or profit from sale and purchase, redemption or other forms of disposal of the Notes is exempted. Potential investors should be aware that the interest payment from the Notes and capital gained or profit from sales and purchase, redemption or other forms of disposal of the Notes after 31 December 2021 is subject to the Complementary Income Tax unless exemption is renewed or extended by Macau law.

Stamp Duty

Pursuant to sections 13 and 14 of the General Table of Stamp Duty as annexed in the Stamp Duty Regulation, as approved by Law no. 17/88/M dated 27 June 1988, and the relevant laws and regulations, both the bond issuance and the transfers of the bonds are subject to stamp duty at the rates of 0.2% over the value of issued bond and 0.5% over the transfer value, respectively. Nevertheless, the Stamp Duty related to the transfer of bond certificate is only applicable for the situation where the transfer of the bond certificate is executed through judicial document, deed, public instrument.

However, as the Macau Branch Issuer is a fully licensed bank under the category of credit institutions, the stamp duty in connection with the issuance of the Notes and the execution of the transaction documents is exempted.

But such exemption is only applicable to the issuance of the Notes and does not apply to subsequent transfers of the Notes. Accordingly, pursuant to the Stamp Duty Regulation, stamp duty will be payable on any subsequent transfer of Notes, including transfers between holders in the MOX, if such transfer is made through judicial document, deed or public instrument.

Such stamp duty shall be paid by the transferee of the Notes to the Macau tax authority (which is the Finance Service Bureau) within 30 days from the date of the relevant document, title or act which effects the transfer of the Notes. If the transferee fails to pay within the prescribed time period, the Macau tax authority may impose a fine of up to three times the amount of stamp duty payable. The fines may be reduced to one third for late payment made within 30 days from the end of the prescribed time period, or one half for late payment made between 31 days and 60 days from the end of the prescribed time period.

Failure to pay any stamp duty on such transfer may also cause the relevant transfer document to be inadmissible as evidence to the courts and will cause such transfer to be inadmissible as evidence with any government authorities. The transfer will not have any effect according to the Stamp Duty Regulation, unless payment of such stamp duty is made (together with any fines in the case where the payment is made late).

Nevertheless, under Article 16 of the Budget Law for the year 2021 (Law no. 27/2020) during the year of 2021, stamp duty in relation to the issue or transfer of the Notes is exempted. Potential investors should be aware that the transfer of the Notes after 31 December 2021 is subject to stamp duty unless exemption is renewed or extended by Macau law.

Please also see the section entitled "*Macau Taxation*" of this Chapter Six.

Modifications and waivers

The Terms and Conditions of the MOP Notes contain provisions for calling meetings of the Noteholders to consider and vote upon matters affecting their interests generally or to pass resolution in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the MOP Notes also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders (i) to any modification (A) to any of the Terms and Conditions of the MOP Notes or any of the provisions of the Trust Deed or the Agency Agreement (as defined in the Terms and Conditions of the MOP Notes) which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Noteholders or (B) to any of the Terms and Conditions of the MOP Notes or any of the provisions of the Trust Deed or the Agency Agreement if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of laws, and (ii) to any waiver or authorisation of any breach or proposed breach by the Macau Branch Issuer of any of the Terms and Conditions of the MOP Notes or any of the provisions of the Trust Deed or the Agency Agreement that in its opinion is not materially prejudicial to the interests of the Noteholders. Any such modification, waiver or authorisation may be made on such terms and subject to such conditions (if any) as the Trustee may determine and shall be binding upon the Noteholders.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including without limitation giving of notice to the Macau Branch Issuer pursuant to Condition 13 of the Terms and Conditions of the MOP Notes and taking enforcement steps pursuant to Condition 17A of the Terms and Conditions of the MOP Notes, the Trustee may, at its sole discretion, request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the MOP Notes) or the Terms and Conditions of the MOP Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

The Notes will initially be represented by the MOP Notes Global Note Certificate and holders of a beneficial interest in the MOP Notes Global Note Certificate must rely on the procedures of the relevant Clearing System.

The Notes will initially be represented by beneficial interests in a MOP Notes Global Note Certificate. Such MOP Notes Global Note Certificate will be lodged with MOX under its clearing system ("**Clearing System**"). Except in the circumstances described in the MOP Notes Global Note Certificate, investors will not be entitled to receive Individual Note Certificates. The Clearing System will maintain records of its account holders credited with an interest in the MOP Notes Global Note Certificate. While the Notes are represented by the MOP Notes Global Note Certificate, investors will be able to trade their beneficial interest only through the Clearing System.

In addition, for so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, payments of interest or principal will be made to the registered account which is shown on the records of MOX at the relevant time as an account holder, who is a direct participant of the MOX, as notified to the Principal Paying Agent by the MOX. Such payment will discharge the Macau Branch Issuer's obligations in respect of that payment. For these purposes, a notification from the MOX shall be conclusive evidence of the records of the MOX (save in the case of manifest error). Any payments by the MOX participants to indirect participants will be governed by arrangements agreed between the MOX participant and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such MOX participants and not the Macau Branch Issuer. Holders of beneficial interests in the MOP Notes Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

New legislation or changes in the regulatory guidelines for the issuing and underwriting of Notes in Macau.

As of the date of this Drawdown Offering Circular, issuing and underwriting of bonds in Macau are regulated by Section 3 of the FSA, as approved by Decree Law no. 32/93/M dated 5 July 1993, setting out that bond offering for public subscription by companies, which are not credit institutions, is subject to the authorisation of the Chief Executive of Macau. In addition, the issuing and underwriting of bonds in Macau is also regulated by Guidelines under Circular no. 009/B/2019-DSB/AMCM (Guideline on Underwriting and Custody of Corporate Bond) that came into force on 28 June 2019 and Circular No. 008/B/2021-DSB/AMCM (Guideline on Management of Corporate Bond Issuance and Trading), that came into force on 26 May 2021, which expressly sets out that the issue and offering of bonds in Macau by credit institutions duly authorised to operate in Macau are not subject to any prior authorisation. However, prior to the issue of the bonds, the credit institution must do all and any appropriate contacts and communications with AMCM to proceed with the issue of the bonds under the terms discussed with AMCM as a result of such contacts and communications.

As the relevant legislation and regulatory guidelines may be subject to further development, investors shall be aware of any potential alteration on the practice of registration and listing of Notes in Macau.

New trading platform provided by MOX.

As of the date of this Drawdown Offering Circular, MOX is a relatively new trading platform as inaugurated in December 2018. MOX is entitled to amend its trading rules and guidelines in a manner and without notice beyond the control of the Group. Please refer to the section entitled "*MOX Clearance and Settlement*" in this Chapter Six for details.

Investors in the Notes need to be eligible investors who are registered with the MOX. Subsequent transfers can only be made to eligible investors who are registered with the MOX, therefore the number of potential transferees is limited. As such, the liquidity and tradability of the Notes may be limited.

Investors should be aware of all the potential risks in trading and listing of the Notes on the platform of MOX and that there are not many prior cases for reference. Investors should be aware of the development and further information in relation to MOX.

PRICING SUPPLEMENT FOR THE MOP NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The offering circular dated 27 May 2021 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 21 October 2021 (except for Chapter Two to Chapter Five of the drawdown offering circular dated 21 October 2021 which do not apply to the Notes) (the "**Drawdown Offering Circular**", together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on HKSE for the purpose of giving information with regard to the Issuer and the Bank. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the **MOX**) for the listing of the Notes by way of debt issues to Professional Investors (as defined in Section 2 of the Guidelines under Circular no. 009/B/2019-DSB/AMCM and 008/B/2021-DSB/AMCM as issued by the Monetary Authority of Macao) (the **Macao Professional Investors**) only. The Offering Circular and this Pricing Supplement are for distribution to Macao Professional Investors only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Macao Professional Investors and understand the risks involved. The Notes are only suitable for Macao Professional Investors.**

Listing of the Notes on MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Group or the quality of disclosure in the Offering Circular and this Pricing Supplement. MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular and this Pricing Supplement. Potential investors should exercise caution before making investment decisions.

This Information Notice as well as all information contained herein is meant to provide details on the securities and the Issuer in relation to the admission of the Notes onto the securities official list held by the Luxembourg Stock Exchange without admission to trading on one of the securities markets operated by LuxSE ("**LuxSE SOL**"). The Information Notice has been prepared for the sole goal of being admitted and displayed on LuxSE SOL. It does not provide any key information to be used for making investment decisions. The Information Notice is provided for information purposes only. It does not constitute and is not construed as any advice, solicitation, offer, endorsement, commitment or recommendation to invest in the securities described herein. The provision of the Information Notice is not and shall not be a substitute for your own researches, investigations, verifications, checks or consultation for professional or investment advice. You are using the Information Notice at your own risks.

Pricing Supplement Dated 21 October 2021

Industrial and Commercial Bank of China Limited, Macau Branch
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Issue of MOP2,000,000,000 0.60 per cent. Notes due 2023 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:	Industrial and Commercial Bank of China Limited, Macau Branch
2.	(i) Series Number:	MTN40
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	Macao Pataca ("**MOP**")
4.	Aggregate Nominal Amount:	MOP2,000,000,000

5.	(i)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii)	Gross Proceeds:	MOP2,000,000,000
6.	(i)	Specified Denominations:	MOP5,000,000
	(ii)	Calculation Amount:	MOP5,000,000
7.	(i)	Issue Date:	28 October 2021
	(ii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	Interest Payment Date falling on or nearest to 28 October 2023
9.		Interest Basis:	0.60 per cent. Fixed Rate (further particulars specified below)
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options:	Not Applicable
13.		Date of regulatory approval for Notes obtained:	Enterprise Foreign Debt Pre-issuance Registration Certificate (中華人民共和國國家發展和改革委員會企業借用外債備案登記證明) (發改辦外資備[2021]446號) published by the National Development and Reform Commission of the People's Republic of China on 3 June 2021.
14.		Listing and trading:	Application will be made to The Stock Exchange of Hong Kong Limited ("**HKSE**") for the listing of the Notes by way of debt issues to Professional Investors only. The expected effective listing date of the Notes on the HKSE is 29 October 2021. Approval-in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 29 October 2021. Application will be made to the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) for the Notes to be listed on the Securities Official List of the Luxembourg Stock Exchange, without admission to trading on the professional segment of one of the securities market operated by the Luxembourg Stock Exchange (Société de la Bourse de Luxembourg) and displayed on the Luxembourg Green Exchange platform. Expected effective listing date of the Notes on the Luxembourg Stock Exchange Securities Official List is 29 October 2021.

		Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 29 October 2021. Application has been made to Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the **MOX**) for the listing of the Notes by way of debt issues to Macao Professional Investors only.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate of Interest:	0.60 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	28 April and 28 October in each year commencing on 28 April 2022 and ending on the Maturity Date and each adjusted in accordance with the Modified Following Business Day Convention. "**Modified Following Business Day Convention** " means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day. "**Business Day** " means a day on which commercial banks and foreign exchange markets settle payments generally in Macao Special Administrative Region of the People's Republic of China ("**Macao**" or "**Macau**").
	(iii) Fixed Coupon Amount(s):	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest MOP0.01, with MOP0.005 being rounded upwards.
	(iv) Day Count Fraction:	Actual/365 (Fixed)
	(v) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	MOP5,000,000 per Calculation Amount
24.	**Early Redemption Amount** Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	MOP5,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction	PRC, Macao
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Industrial and Commercial Bank of China (Macau) Limited Industrial and Commercial Bank of China Limited, Singapore Branch Industrial and Commercial Bank of China (Asia) Limited Industrial and Commercial Bank of China (Europe) S.A ICBC International Securities Limited Bank of China Limited, Macau Branch Agricultural Bank of China Limited Macao Branch China Construction Bank Corporation Macau Branch Bank of Communications Co., Ltd. Macau Branch Banco Nacional Ultramarino S.A. Luso International Banking Ltd. China Guangfa Bank Co., Ltd., Macau Branch The Macau Chinese Bank Limited (together, the "**Joint Lead Managers**")
	(ii)	Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.		If non-syndicated, name and address of Dealer:	Not Applicable
37.		Private banking rebate/commission:	Not Applicable
38.		U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.		Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.		Prohibition of Sales to UK Retail Investors:	Not Applicable
41.		Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

42.	ISIN Code:	MO000A3KV710
43.	Common Code:	Not Applicable
44.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	MOX (GIIN Number: X309AU.99999.SL.446)
46.	Delivery:	Delivery free of payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S. $1:MOP8.0071, producing a sum of (for Notes not denominated in U.S. dollars):	Approximately U.S.$249,778,321.7
49.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1 *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any one of the Joint Lead Managers appointed and acting in its capacity as a Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

LISTING APPLICATION

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited (the "**Bank**").

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, MACAU BRANCH

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE MOP NOTES

The section entitled "Terms and Conditions of the Notes" of the Original Offering Circular shall be deleted in its entirety and replaced by the following:

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the Pricing Supplement, will be endorsed on each Note in definitive form. The numbering and title of the following Terms and Conditions of the MOP Notes follow the number in "Terms and Conditions of the Notes" as set out in the Original Offering Circular.

1 INTRODUCTION

(a) The Programme and the Notes

The Notes (which expression, unless the context requires otherwise, includes any further notes issued pursuant to Condition 18 (*Further Issues*) and to be consolidated and forming a single series therewith) are issued by Industrial and Commercial Bank of China Limited, Macau Branch (the "**Issuer**") under the U.S.$20,000,000,000 Global Medium Term Note Programme (the "**Programme**") established by Industrial and Commercial Bank of China Limited (the "**Bank**").

(b) Trust Deed

The Notes are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated the Issue Date made between the Issuer and Luso International Banking Ltd. (the "**Trustee**", which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes. The deed of covenant dated 27 May 2021 in relation to the Programme entered into by the Bank (on behalf of itself and each Branch Issuer) does not apply to the Notes.

(c) Pricing Supplement

The Notes are the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to the Notes are these Conditions as supplemented, amended and/or replaced by the Pricing Supplement. In the event of any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement shall prevail.

(d) Agency Agreement

The Notes are the subject of an agency agreement dated the Issue Date, as amended and/or supplemented from time to time (the "**Agency Agreement**") between, *inter alia*, the Issuer and Bank of China Limited, Macau Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and the MOX lodging agent (the "**MOX Lodging Agent**", which expression includes any successor MOX lodging agent appointed from time to time in connection with the Notes), the Trustee, the paying agents named therein (together with the Principal Paying Agent and the MOX Lodging

Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them. The fiscal, issuing and paying agency agreement dated 27 May 2021 in relation to the Programme does not apply to the Notes.

(e) Summaries

Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2 INTERPRETATION

(a) Definitions

In these Conditions the following expressions have the following meanings:

"**Calculation Amount**" has the meaning given in the Pricing Supplement;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the Pricing Supplement and, if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the Pricing Supplement;

"**Fitch**" means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalac, S.A. and Hearst Corporation, and its successors;

"**Fixed Coupon Amount**" has the meaning given in the Pricing Supplement;

"**holder**" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to the Notes*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date in the Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the Pricing Supplement;

"**Interest Payment Date**" means any date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement;

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" has the meaning given in the Pricing Supplement;

"**Macau**" means the Macau Special Administrative Region of the PRC;

"**Material Subsidiary**" means a Subsidiary of the Bank whose total assets or total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which these audited financial statements relate, account for 5 per cent. or more of the consolidated assets or consolidated revenue of the Bank as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to another Subsidiary of the Bank, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer;

"**Maturity Date**" has the meaning given in the Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc. and its affiliates and successors;

"**Noteholder**" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to the Notes*);

"**Payment Business Day**" means a day (other than a Saturday, Sunday or public holidays) on which banks and foreign exchange markets are open for business and settlement of MOP payments in Macau and the place in which the Specified Office of the Principal Paying Agent is located and (if surrender of the relevant Note Certificate is required) the relevant place of presentation and if the Notes are represented by the Global Note Certificate and lodged with the MOX, a day on which the Macau government provides public services;

"**Person**" includes any individual, company, state owned enterprise, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state or other entity (in each case whether or not being a separate legal entity);

"**PRC**" means the People's Republic of China, which for the purposes of these Conditions shall not include Hong Kong, Macau or Taiwan;

"**Public External Indebtedness**" means any indebtedness of the Issuer (or, for the purposes of Condition 13(c) (*Cross-default*), any of the Bank's Subsidiaries), or any guarantee or indemnity by the Issuer of indebtedness, for money borrowed which, (i) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is issued outside the PRC and is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placements); and (ii) has an original maturity of more than 365 days;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the Pricing Supplement;

"**Rating Agencies**" means (a) S&P, (b) Moody's or (c) Fitch, provided that if S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, a nationally recognised securities rating agency or agencies, as the case may be, selected by the Issuer;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Reserved Matter**" means any proposal:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

(ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

(iii) to change the currency in which amounts due in respect of the Notes are payable;

(iv) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or

(v) to amend this definition;

"**S&P**" means S&P Global Ratings and its affiliates and successors;

"**Specified Currency**" has the meaning given in the Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person; and

"**Tax Jurisdiction**" means (a) the PRC and (b) the relevant tax jurisdiction of the Issuer (to the extent that such tax jurisdiction is not the PRC) specified in the Pricing Supplement, or in each case any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes.

(b) Interpretation

In these Conditions:

(i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(iii) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(iv) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the Pricing Supplement, but the Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

3 FORM, DENOMINATION, TITLE AND TRANSFER

Condition 3 of the Terms *and Conditions of the Notes as set out in the Offering Circular dated 27 May 2021 (the "**Original Offering Circular**") is deemed to be deleted in its entirety and replaced with the following:*

(a) Denomination

The Notes are issued in the Specified Denomination(s).

(b) Title to the Notes

The Registrar will maintain the register in Macau in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each holder of the Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In these Conditions, "**holder**" means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

*Upon issue, the Notes will be represented by a global note certificate (the "**MOP Notes Global Note Certificate**") registered in the name of Chongwa (Macao) Financial Asset Exchange Co., Ltd. ("**MOX"),** and lodged with the MOX. These Conditions are modified by certain provisions contained in the Global Note Certificate. See "Summary of Provisions relating to the MOP Notes in Global Form" of Chapter Six of the Drawdown Offering Circular.*

Except in the limited circumstances described in the MOP Notes Global Note Certificate, owners of interests in the Notes represented by the MOP Notes Global Note Certificate will not be entitled to receive definitive Note Certificates in respect of their individual holdings of the Notes. The Notes are not issuable in bearer form.

*For so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, each person who is for the time being shown on the records of MOX as the person whose account reflects interest in a particular principal amount of Notes (the "**accountholder**") (in which regard any certificate, letter of confirmation, record or other paper or document issued by MOX as to the principal amount of such Notes standing to the account of such person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agents and MOX as the holder of such principal amount of such Notes for all purposes.*

For so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, any transfer of principal amounts and interests of Notes shall be effected in accordance with the rules and procedures for the time being of the MOX.

So long as the Notes are represented by the MOP Notes Global Note Certificate and the rules of MOX so permit, transfers of interests in the Notes through the relevant clearing systems shall be in principal amounts of MOP5,000,000.

(c) Ownership

The holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(d) Transfers of Notes

Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration)* below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred are in Specified Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

For so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, the transfer of principal amounts and interests of Notes to or from the accountholders of the MOX is subject to the registration of such accountholders with the MOX, where such registration shall be conditional upon the delivery of documents required by the MOX pursuant to the rules and procedures of the MOX, as amended from time to time. The settlement methods include free of payment and delivery versus payment. The settlement methods are subject to modification at the discretion of the MOX.

The transfer of principal amounts and interests of Notes to and from the accountholders and the settlement methods are regulated by the MOX under the rules and procedures of the MOX, as amended from time to time.

(e) Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with paragraph (d) (*Transfers of Notes)* above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) No charge

The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

(h) Regulations concerning transfers and registration

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4 STATUS

Condition 4 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

The Notes constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5 INTEREST

Condition 5 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Accrual of interest

The Notes bear interest from and including the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Trustee or the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(c) Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means the lowest amount of the Specified Currency that is available as legal tender in the country of such currency.

6 FLOATING RATE NOTE AND INDEX-LINKED INTEREST NOTE PROVISIONS

Condition 6 of the Terms and Conditions of the Notes as set out in the Original Offering Circular does not apply to the Notes.

7 ZERO COUPON NOTE PROVISIONS

Condition 7 of the Terms and Conditions of the Notes as set out in the Original Offering Circular does not apply to the Notes.

8 DUAL CURRENCY NOTE PROVISIONS

Condition 8 of the Terms and Conditions of the Notes as set out in the Original Offering Circular does not apply to the Notes.

9 REDEMPTION AND PURCHASE

Condition 9 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments – Registered Notes*).

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to giving such notice that (1) it has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 October 2021 and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by any authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (1) and (2) above of this Condition 9(b), in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) and (b) (*Redemption for tax reasons*) above.

(d) Purchase

The Issuer or any of the Bank's Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17 (*Meetings of Noteholders; Modification and Waiver*).

(e) Cancellation

All Notes so redeemed or purchased by the Issuer or any of the Bank's Subsidiaries may be reissued, resold or surrendered to the Principal Paying Agent for cancellation.

10 PAYMENTS – BEARER NOTES

Condition 10 of the Terms and Conditions of the Notes as set out in the Original Offering Circular does not apply to the Notes.

11 PAYMENTS – REGISTERED NOTES

Condition 11 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Principal

Payments of principal shall be made by transfer to an account denominated in the Specified Currency and maintained by the payee with, a bank in Macau or, upon application by a holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by cheque drawn in the Specified Currency, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) Interest

Payments of interest shall be made by transfer to an account denominated in the Specified Currency and maintained by the payee with a bank in Macau, or, upon application by a holder of a Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by cheque drawn in the Specified Currency, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

For so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, payments of interest or principal will be made to the registered account of each person who is shown on the records of MOX at the close of business (in the MOX) on the seventh Clearing System Business Day (as defined below) before the due date for such payment as an accountholder, who is a direct participant of the MOX, as notified to the Principal Paying Agent by the MOX. Such payment will discharge the Issuer's obligations in respect of that payment. For these purposes, a notification from the MOX shall be conclusive evidence of the records of the MOX (save in the case of manifest error). Any payments by the MOX participants to indirect participants will be governed by arrangements agreed between the MOX participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such MOX participants and not the Issuer.

(c) Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 (*Payments – Registered Notes*) arriving after the due date for payment or being lost in the mail.

(e) Partial payments

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) Record date

Each payment in respect of a Note will be made to the person shown as the holder in the Register, at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by transfer, the transfer will be made to the account shown as the account of the holder in the Register at the opening of business on the relevant Record Date. Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

*For so long as any of the Notes are represented by the MOP Notes Global Note Certificate and the MOP Notes Global Note Certificate is held by or on behalf of MOX, payment will be made to the registered account of each person who is shown on the records of MOX at the close of business (in the MOX) on the seventh Clearing System Business Day before the due date for such payment as an accountholder, who is a direct participant of the MOX, as notified to the Principal Paying Agent by the MOX, where "**Clearing System Business Day**" means a day (other than a Saturday, Sunday or public holidays) on which banks and foreign exchange markets are open for business and settlement of Macau Pataca payments in Macau and the place in which the Specified Office of the Principal Paying Agent is located and (if surrender of the relevant Individual Note Certificate is required) the relevant place of presentation and if the Notes are represented by the MOP Notes Global Note Certificate and lodged with the MOX, a day on which the Macau government provides public services.*

12 TAXATION

Condition 12 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Gross up

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

(i) held by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or

(ii) where the relevant Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note would have been entitled to such additional amounts on presenting or surrendering such Note Certificate for payment on the last day of such period of 30 days; or

(iii) held by a holder who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority.

(b) Taxing jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Tax Jurisdiction, respectively, references in these Conditions to the Tax Jurisdiction shall be construed as references to the Tax Jurisdiction and/or such other jurisdiction.

Notwithstanding any other provision in these Conditions, the Issuer and the Paying Agent shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement entered into with the United States to facilitate the implementation of these provisions, implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (such withholding or deduction, "**FATCA Withholding**"). None of the Issuer, the Paying Agent, nor any other person will be required to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA Withholding.

There may be Macau tax consequences for investors if the current exemption for Complementary Income Tax and stamp duty in relation to the Notes is not renewed or extended. Before making an investment decision, persons considering the purchase of the Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any Note and how to comply with relevant tax obligations under Macau tax laws. See "Macau Taxation and "Risk Factors – There may be Macau tax consequences for investors if the current exemption for Complementary Income Tax and stamp duty in relation to the Notes is not renewed or extended" in the Chapter Six of the Drawdown Offering Circular.

13 EVENTS OF DEFAULT

Condition 13 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

(a) Non-payment

default is made in the payment on the due date of principal of or any interest on any of the Notes and such failure continues for a period of 30 days; or

(b) Breach of other obligations

the Issuer does not perform or comply with any one or more of its other obligations under or in respect of the Notes or the Trust Deed which default remains unremedied for a period of 45 days after written notice of such default shall have been delivered to the Issuer (with a copy to the Principal Paying Agent) by the Trustee; or

(c) Cross-default

(i) any other present or future Public External Indebtedness of the Issuer or any of the Bank's Subsidiaries becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof; or

(ii) any such Public External Indebtedness is not paid when due or, as the case may be, within any applicable grace period,

provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 13(c) have occurred equals or exceeds U.S.$30,000,000 or its equivalent; or

(d) Insolvency

the Issuer or any of the Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of the Material Subsidiaries; or

(e) Winding-up

an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of the Material Subsidiaries, or the Issuer or any of the Material Subsidiaries ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of the Material Subsidiaries; or

(f) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed and the Issuer fails to obtain the necessary waiver or approval or complete such other necessary remedial action within 60 days such that the Issuer may lawfully perform such obligations; or

(g) Analogous events

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 13(d) (*Insolvency*) to 13(f) (*Illegality*) (both inclusive).

14 PRESCRIPTION

Condition 14 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Claims for principal *and* interest on redemption in respect of the Notes shall become void unless the relevant Note Certificates are surrendered for payment made within ten years of the appropriate Relevant Date.

15 REPLACEMENT OF NOTES

Condition 15 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

16 AGENTS

Condition 16 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, MOX lodging agent or registrar and additional or successor paying agents or transfer agents; provided, however, that:

(a) the Issuer shall at all times maintain a principal paying agent, a MOX lodging agent and a registrar in Macau; and

(b) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17 MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

Condition 17 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than 67 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, the Trust Deed provides that a resolution in writing signed by or on behalf of not less than 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification and Waiver

Notwithstanding Condition 17(a) (*Meetings of Noteholders*) above, the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders (i) to any modification (A) to any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Noteholders or (B) to any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of laws, and (ii) to any waiver or authorisation of any breach or proposed breach by the Issuer of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that in its opinion is not materially prejudicial to the interests of the Noteholders. Any such modification, waiver or authorisation may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

(c) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 17 (*Meetings of Noteholders; Modification and Waiver*)), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

The following Conditions 17A and *17B shall be inserted after Condition 17:*

17A ENFORCEMENT

The Trustee may, from time to time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, and/or the Notes, but it need not take any such proceedings or any other action under the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

17B INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may rely without liability to Noteholder on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Noteholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction as a result of seeking such direction or clarification from the Noteholders or in the event that no direction or clarification is given to the Trustee by the Noteholders.

Each Noteholder shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for any such appraisal or investigation and no Noteholder shall rely on the Trustee in respect thereof.

The Trustee shall have no obligation to monitor whether an Event of Default or a Potential Event of Default has occurred, and shall not be liable to the holders or any other person for not doing so.

18 FURTHER ISSUES

Condition 18 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

The Issuer may from time to *time*, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and if applicable, the timing for notification to the NDRC) so as to form a single series with the Notes. However, such further notes may only be issued if (i) the Rating Agency which has provided credit ratings in respect of the Notes has been informed of such issue and (ii) such issue will not result in any adverse change in the then credit rating of the Notes.

19 NOTICES

Condition 19 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

Notices required *pursuant* to the Conditions to be given to the holders of the Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

*So long as the Notes are represented by a MOP Notes Global Note Certificate and such MOP Notes Global Note Certificate is held in the name of MOX or on behalf of any other clearing system (an "**Alternative Clearing System**"), notices to Noteholders represented by the MOP Notes Global Note Certificate shall be given by delivery of the relevant notice to MOX or (as the case may be) such Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Noteholders on the date of the delivery of such notice to MOX or the Alternative Clearing System.*

20 CURRENCY INDEMNITY

Condition 20 of the Terms and Conditions of the Notes as set out in the Original Offering Circular does not apply to the Notes.

21 ROUNDING

Condition 21 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

For the purposes of any *calculations* referred to in these Conditions (unless otherwise specified in these Conditions or the Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), and (b) all amounts denominated in the Specified Currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22 GOVERNING LAW AND JURISDICTION

Condition 22 of the Terms and Conditions of the Notes as set out in the Original Offering Circular is deemed to be deleted in its entirety and replaced with the following:

(a) Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with, English law.

(b) Jurisdiction

(i) The courts of Hong Kong are to have exclusive jurisdiction to settle any dispute, claims, difference or controversy that may arise out of, in relation to or in connection with the Notes (and the Conditions), including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") and accordingly any legal action or proceedings arising out of or in connection with the Notes (and the Conditions) and any non-contractual obligations arising out of or in connection with them ("**Proceedings**") may be brought in such courts.

(ii) The Issuer irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum to settle any Dispute.

(iii) The Issuer agrees to receive service of process in Hong Kong in relation to the Notes at the Bank's principal place of business in Hong Kong, at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong. If for any reason the Bank no longer maintains a principal place of business in Hong Kong, the Issuer shall as soon as reasonably practicable appoint a new agent for service of process in Hong Kong and deliver to the Trustee a copy of the new agent's acceptance of that appointment. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. Nothing in this Condition, the Agency Agreement or the Trust Deed shall affect the right to serve process in any other manner permitted by law.

(c) Waiver of immunity

(i) To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

(ii) The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

MOX CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the MOX currently in effect. The information in this section concerning the MOX has been obtained from sources that the Macau Branch Issuer and the Bank believe to be reliable, but none of any Branch Issuer, the Bank or any Joint Lead Manager takes any responsibility for the accuracy thereof and undue reliance should not be placed on any such information. Prospective investors should read and understand the prevailing rules, regulations and procedures of the MOX before making any investment decision. Investors wishing to use the facilities of the MOX are advised to confirm the continued applicability of the rules, regulations and procedures of the MOX. None of the Branch Issuers, the Bank or any other party to the relevant Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of the MOX or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

MOX

MOX is a financial institution approved by the Monetary Authority of Macao, and established at the executive order signed by Chief Executive of Macau in accordance with Macau Special Administrative Region Executive Order 94/2018 in August 2018.

MOX provides services including bond issuance, listing, registration, custody, trading and settlement in Macau to professional investors only. The custody and clearing services provided by the MOX are available to registered notes accepted into the MOX's book-entry settlement system (the "**MOX Notes**") issued by a participant (a "**direct participant**") or by a person for whom a direct participant acts as agent for the purposes of lodging instruments issued by such persons.

MOX holds securities that its direct participants deposit with the MOX. MOX also facilitates the settlement among the direct participants of securities transactions through electronic computerised book-entry changes in the direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

The direct participants need to be eligible investors who are registered with the MOX upon the delivery of documents required by the MOX pursuant to the rules of the MOX, as amended from time to time. A direct participant has a MOX Main Account and/or MOX Agent Service Account and holds securities within MOX. Access to MOX is also available to other investors that clear through or maintain a custodial relationship with a direct participant who has a MOX Agent Service Account, either directly or indirectly ("**indirect participants**", and together with direct participants, "**participants**"). All direct participants (including holders of MOX Main Accounts and MOX Agent Service Accounts) must be financial institutions regulated by the authorities in their respective jurisdictions of incorporation. More information about the MOX can be found at its website: https://www.cmox.mo/but such information is not incorporated by reference in and does not form part of this Drawdown Offering Circular.

Transfers

Under the rules, regulations and procedures of the MOX (the "**MOX Rules**"), the MOX makes book-entry transfers of the MOX Notes among the direct participants on whose behalf it acts with respect to the MOX Notes. Direct participants and indirect participants with which beneficial owners of MOX Notes ("**Beneficial Owners**") have accounts with respect to the MOX Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold MOX Notes through direct participants or indirect participants will not possess registered notes, the MOX Rules, by virtue of the requirements described above, provide a mechanism by which direct participants will be able to transfer their interest in respect of the MOX Notes.

Purchases of MOX Notes under the MOX system must be made by or through direct participants, which will receive a credit for the MOX Notes on MOX's records. Direct participants will receive written confirmation of their purchases and monthly statements about details of any such transactions and their holdings from the MOX. The ownership interest of each Beneficial Owner who purchases any MOX Notes is in turn to be recorded on the direct participant's or indirect participant's records. The Beneficial Owner will not receive written confirmation from MOX of its purchase, but the Beneficial Owner is expected to receive written confirmations providing details of the transaction, as well as periodic statements of its holdings, from the direct participant or indirect participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the MOX Notes are to be effected by entries made on the books of participants acting on behalf of the Beneficial Owners. The settlement methods include free of payment and delivery versus payment.

To facilitate subsequent transfers, all MOX Notes deposited by participants with MOX are represented by global note certificates held by or on behalf of, or registered in the name of, the MOX. The deposit of the global note certificates with MOX and their registration in the name of the MOX effect no change in beneficial ownership. MOX has no knowledge of the Beneficial Owners of the MOX Notes; and MOX's records reflect only the identity of the direct participants to whose accounts such MOX Notes are credited, which may or may not be the Beneficial Owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Payments

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the MOX is limited. In particular (and unlike Euroclear and Clearstream), the MOX does not as part of this service provide any facilities for the dissemination to the relevant direct participants of payments (of interest or principal) under the MOX Notes in accordance with their terms and conditions. Instead, the MOX advises the principal paying agent of the identities of the direct participants to whose accounts payments in respect of the relevant MOX Notes are credited on the relevant record date. Payments in respect of the relevant MOX Notes will be made by the principal paying agent to the account of such person who is shown on the records of MOX at the relevant time as an account holder, who is a direct participant of the MOX. The record date is usually set by the issuer pursuant to the requirements of the principal paying agent, but needs to be in compliance with the minimum requirement of the MOX which, as at the date of this Drawdown Offering Circular, is three Macau business days prior to the payment date. Such payment will discharge the issuer's obligations in respect of that payment. For these purposes, a notification from the MOX shall be conclusive evidence of the records of the MOX (save in the case of manifest error). Any subsequent payments by direct participants to indirect participants will be governed by arrangements agreed between the direct participant and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such direct participants and not the issuer or the MOX.

Initial Settlement and Issuance

For the initial settlement and issuance of the MOX Notes, the MOX sends out the subscription and payment instructions to and receives the relevant confirmations from the investors on the investor registration list through traditional channels, in contrast to Euroclear and Clearstream which handle such communications with investors within their respective integrated systems.

Certification of non-U.S. beneficial ownership

Similarly, the MOX will not obtain certificates of non-U.S. beneficial ownership from the direct participants or provide any such certificates on behalf of the direct participants. The principal paying agent will collect such certificates from the relevant direct participants identified from an instrument position report obtained by request from the MOX for this purpose.

Notices/Communications

Conveyance of notices and other communications by MOX to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices and other notices to the holders of the relevant MOX Notes shall be sent to the MOX by the issuers, which will be published on the MOX's website, and, where appropriate, made available to the holders of the MOX Notes through the trustee and/or the relevant paying agent. If less than all of the MOX Notes within an issue are being redeemed, MOX's practice is to determine the amount for each direct participant on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as it deems fair and appropriate.

Holders of beneficial interests in the global note certificate will not have a direct right to vote in respect of the MOP Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the MOX to appoint appropriate proxies.

Under certain circumstances, including if there is an event of default under the MOX Notes or the MOX is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, the global note certificate representing the MOX Notes will be exchanged for individual note certificates after receipt of the information required (including, without limitation, the names, addresses and accounts of the persons in whose names the individual note certificates are to be registered and the principal amount of each such person's holding), which will be distributed to the participants in accordance with their proportionate entitlements.

A Beneficial Owner shall give notice to elect to have its MOX Notes purchased or tendered, through its participant, to the relevant agent, and shall effect delivery of such MOX Notes by causing the direct participant to transfer the participant's interest in the MOX Notes, on MOX's records, to the relevant agent. The requirement for physical delivery of MOX Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the MOX Notes are transferred by direct participants on MOX's records and followed by a book-entry credit of tendered MOX Notes to the relevant agent's MOX account.

As at the date of this Drawdown Offering Circular, there is no linkage between the MOX and any other clearing systems such as Euroclear and Clearstream. Please also refer to the risk factor entitled "*New trading platform provided by MOX*" of Chapter Six of this Drawdown Offering Circular.

SUMMARY OF PROVISIONS RELATING TO THE MOP NOTES WHILE IN GLOBAL FORM

In respect of the MOP Notes only, the section entitled "Summary of Provisions Relating to the Notes While in Global Form" of the Original Offering Circular shall be deleted in its entirety and replaced by the following.

The Global Note Certificate contains provisions which apply to the MOP Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the MOP Notes set out in this Chapter Six. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions of the MOP Notes set out in this Chapter Six have the meaning in the paragraphs below.

The Notes will be represented by a Global Note Certificate which will be registered in the name of, and deposited with, Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**").

Under the Global Note Certificate, the Macau Branch Issuer, for value received, will promise to pay such principal, interest and premium (if any) on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Conditions.

Payments: All payments in respect of Notes represented by a Global Note Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business (in the specified office of the Registrar) on the seventh Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day (other than a Saturday, Sunday or public holidays) on which banks and foreign exchange markets are open for business and settlement of Macau Pataca payments in Macau and the place in which the Specified Office of the Principal Paying Agent is located and (if surrender of the relevant Individual Note Certificate is required) the relevant place of presentation and if the Notes are represented by the Global Note Certificate and lodged with the MOX, a day on which the Macau government provides public services.

Notwithstanding the preceding paragraph, for so long as any of the Notes are represented by the Global Note Certificate and the Global Note Certificate is held by or on behalf of MOX, payments of interest or principal will be made to the registered account of each person who is shown on the records of MOX at the close of business (in the MOX) on the seventh Clearing System Business Day before the due date for such payment as an accountholder, who is a direct participant of the MOX, as notified to the Principal Paying Agent by the MOX. Such payment will discharge the Macau Branch Issuer's obligations in respect of that payment. For these purposes, a notification from the MOX shall be conclusive evidence of the records of the MOX (save in the case of manifest error). Any payments by the MOX participants to indirect participants will be governed by arrangements agreed between the MOX participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such MOX participants and not the Macau Branch Issuer.

For the purposes of any payments made in respect of the Global Note Certificate, the relevant place of presentation shall be disregarded in the definition of Payment Business Day set out in Condition 2(a).

Exchange: The Global Note Certificate will be exchanged in whole (but not in part) for duly authenticated and completed Individual Note Certificates in accordance with the Trust Deed if (i) MOX or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (ii) any of the circumstances described in Condition 13 occurs.

Notices: Notwithstanding Condition 19, so long as the Global Note Certificate is held in the name of MOX or on behalf of any other clearing system (an "**Alternative Clearing System**"), notices to Noteholders represented by the Global Note Certificate shall be given by delivery of the relevant notice to MOX or (as the case may be) such Alternative Clearing System for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received by the Noteholders on the date of the delivery of such notice to MOX or the Alternative Clearing System.

Transfer: For so long as any of the Notes are represented by the Global Note Certificate and the Global Note Certificate is held by or on behalf of MOX, any transfer of principal amounts and interest of Notes shall be effected in accordance with the rules and procedures for the time being of the MOX.

So long as the Notes are represented by the Global Note Certificate and the rules of MOX so permit, transfers of interests in the Notes through the relevant clearing systems shall be in principal amounts of MOP5,000,000.

Meetings: For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Note Certificate shall be treated as being entitled to one vote in respect of MOP5,000,000.

MACAU TAXATION

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Macau law. Investors should consult their professional advisers.

NO WITHHOLDING TAX

No withholding tax is payable in Macau in respect of payments of principal or distribution in respect of the Notes or in respect of any capital gains arising from the sale of the Notes.

COMPLEMENTARY INCOME TAX

The Complementary Income Tax shall be considered as profit tax in commercial or industrial activities which charges the taxpayer on the actual profit or estimated profit as obtained in Macau pursuant to section 2 of the Regulation of Complementary Income Tax, as approved by Law no. 21/78/M dated 9 September 1978, and its section 20 sets out that distribution on Notes or capital gains arising from the sale of the Notes are taxable income for calculating profit.

As per the Regulation of Complementary Income Tax, the tax rate of Complementary Income Tax is up to 12% (subject to any double taxation agreement as may be entered into between Macau and the relevant jurisdiction of the taxpayer).

The beneficiary of the Notes' interest shall be the taxpayer of the Complementary Income Tax.

There is no withholding or deduction requirement imposed on the Macau Branch Issuer in respect of payments of principal or distribution in respect of the Notes or in respect of any capital gains arising from the sale of the Notes. As the Macau Branch Issuer is not obliged to withhold or deduct the Complementary Income Tax under Macau law, the Macau Branch Issuer has no obligation to gross up for such tax under Condition 12 of the Terms and Conditions of the MOP Notes.

The beneficiary of the Notes' interest is required to complete the related tax enrolment procedure for the fulfilment of the tax duties in connection with the Notes. The beneficiary of the Notes' interest who is not a Macau resident shall also submit documents to the Macau tax authority (which is the Finance Service Bureau) for the registration as taxpayer in Macau.

If the beneficiary fails to submit the tax filings accurately within the prescribed time period, the Macau tax authority may impose a penalty of up to MOP20,000. If the beneficiary fails to pay Complementary Income Tax within 60 days from the prescribed time period, the Macau tax authority may impose the payment of late interests as well as an extra payment of 3% over the amount of Complementary Income Tax payable.

The latest amendment of the Regulation of Complementary Income Tax (Law no. 21/2019) stipulates exemptions from Complementary Income Tax in relation to the interest payment from the notes and capital gained or profit from sale and purchase, redemption or other forms of disposal of three types of bonds (including government bonds, local government bonds and central SOE bonds). However, none of such exemptions is applicable to the Notes.

Nevertheless, under Article 25 of the Budget Law for the year 2021 (Law no. 27/2020) during the year of 2021, Complementary Income Tax in relation to the interest payment from the Notes and capital gained or profit from sales and purchase, redemption or other forms of disposal of the Notes is exempted. Potential investors should be aware that the interest payment from the Notes and capital gained or profit from sales and purchase, redemption or other forms of disposal of the Notes after 31 December 2021 is subject to the Complementary Income Tax unless exemption is renewed or extended by Macau law.

STAMP DUTY

Pursuant to sections 13 and 14 of the General Table of Stamp Duty as annexed in the Stamp Duty Regulation, as approved by Law no. 17/88/M dated 27 June 1988, and the relevant laws and regulations, both the bond issuance and the transfers of the bonds are subject to stamp duty at the rates of 0.2% over the value of issued bond and 0.5% over the transfer value, respectively. Nevertheless, the Stamp Duty related to the transfer of bond certificate is only applicable for the situation where the transfer of the bond certificate is executed through judicial document, deed, public instrument.

However, as the Macau Branch Issuer is a fully licensed bank under the category of credit institutions, the stamp duty in connection with the issuance of the Notes and the execution of the transaction documents is exempted.

But such exemption is only applicable to the issuance of the Notes and does not apply to subsequent transfers of the Notes. Accordingly, pursuant to the Stamp Duty Regulation, stamp duty will be payable on any subsequent transfer of Notes, including transfers between holders in the MOX, if such transfer is made through judicial document, deed or public instrument. Such stamp duty shall be paid by the transferee of the Notes to the Macau tax authority (which is the Finance Service Bureau) within 30 days from the date of the relevant document, title or act which effects the transfer of the Notes. If the transferee fails to pay within the prescribed time period, the Macau tax authority may impose a fine of up to three times the amount of stamp duty payable. The fines may be reduced to one third for late payment made within 30 days from the end of the prescribed time period, or one half for late payment made between 31 days and 60 days from the end of the prescribed time period.

Failure to pay any stamp duty on such transfer may also cause the relevant transfer document to be inadmissible as evidence to the courts and will cause such transfer to be inadmissible as evidence with any government authorities. The transfer will not have any effect according to the Stamp Duty Regulation, unless payment of such stamp duty is made (together with any fines in the case where the payment is made late).

Nevertheless, under Article 16 of the Budget Law for the year 2021 (Law no. 27/2020) during the year of 2021, stamp duty in relation to the issue or transfer of the Notes is exempted. Potential investors should be aware that the transfer of the Notes after 31 December 2021 is subject to stamp duty unless exemption is renewed or extended by Macau law.

Before investing in the Notes, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Notes.

GENERAL INFORMATION

In respect of the MOP Notes only, the sub-section entitled "*Documents on Display*" in the Original Offering Circular shall be deleted and replaced by the following:

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Macau Branch Issuer at Dr. Carlos D'Assumpção, No. 393-437, NAPE, Dynasty Plaza, 9 Andar, Macau, and the Principal Paying Agent at Avenida Dr. Mário Soares, Nº323, Edifício Banco da China, freguesia da Sé, em Macau, for so long as there are outstanding Notes:

(a) the articles of association of the Bank;

(b) (i) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019, (ii) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020, and (iii) the interim consolidated financial statements of the Group as at and for the six months ended 30 June 2021;

(c) a copy of the Original Offering Circular together with this Drawdown Offering Circular;

(d) the Pricing Supplement for the MOP Notes (which will only be available for inspection by a holder of the MOP Notes and the holder must produce evidence satisfactory to the Macau Branch Issuer and the Principal Paying Agent as to its holding of Notes and identity);

(e) the Trust Deed (which contains the form of the Notes in global and definitive form); and

(f) the Agency Agreement in relation to the Notes.

MACAU BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Macau Branch
Dr. Carlos D'Assumpção
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9 Andar
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AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2020

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ANNEX I – ORIGINAL OFFERING CIRCULAR DATED 27 MAY 2021

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("QIBs") OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S) IN RELIANCE ON REGULATION S.

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND SECURITIES IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

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

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be either (I) QIBs or (II) non-U.S. persons eligible to purchase the securities outside the United States in an "offshore transaction" in reliance on Regulation S. This Offering Circular is being sent at your request and by accepting the email and accessing this Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the United States and in an "offshore transaction" in reliance on Regulation S and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

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

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Industrial and Commercial Bank of China Limited (the "**Bank**"), Industrial and Commercial Bank of China (Asia) Limited (the "**Arranger**" and the "**Dealer**"), any person who controls any of the Arranger or the Dealer, any director, officer, employee nor agent of the Bank or the Arranger or the Dealer, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealer.

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Industrial and Commercial Bank of China Limited

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

U.S.$20,000,000,000
Global Medium Term Note Programme

Under the Global Medium Term Note Programme (the "**Programme**"), Industrial and Commercial Bank of China Limited (the "**Bank**"), or such branch of the Bank (including Industrial and Commercial Bank of China Limited, Hong Kong Branch (the "**Hong Kong Branch**") (each a "**Branch Issuer**"), as specified in the applicable Pricing Supplement (each an "**Issuer**") may from time to time issue medium term notes (the "**Notes**"), subject to compliance with all relevant laws, regulations and directives, denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). This Offering Circular supersedes the offering circulars dated 1 February 2016, 10 February 2017, 30 November 2018, 6 September 2019 and 19 June 2020. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein save for, in the case of the terms and conditions of the Notes, any Notes issued on or after the date of this Offering Circular so as to be consolidated and form a single series with any Series (as defined under "*Terms and Conditions of the Notes*") of the Notes issued before the date of this Offering Circular.

Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$20,000,000,000 (or its equivalent in other currencies subject to increase as described herein). The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" or any additional Dealer appointed under the Programme from time to time by an Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**HKSE**") for the listing of the Programme by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the 12-month period after the date of this document on the HKSE. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: the Bank confirms that each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes issued under the Programme is intended for purchase by Professional Investors only and, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Bank confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in the Pricing Supplement (as defined below) which, with respect to Notes to be listed in Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche.

The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or any other stock exchange.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs/IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

The Notes of each Series issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Notes**"). Bearer Notes that are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D Rules**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the relevant issue date, upon certification as to non-U.S. beneficial ownership. Global Notes may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority (the "**HKMA**"). In the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream or CMU, or delivered outside a clearing system, the Global Notes may be deposited on the relevant issue date as agreed between the relevant Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Notes in registered form ("**Registered Notes**") and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") ("**Unrestricted Notes**") will initially be represented by a permanent registered global note certificate (each an "**Unrestricted Global Note Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Series intended to be cleared through the CMU, with a sub-custodian for the CMU, (c) in the case of a Series intended to be cleared through The Depositary Trust Company ("**DTC**"), with a custodian (the "**DTC Custodian**") for, and registered in the name of Cede & Co. as nominee for DTC, or (d) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, DTC and/or the CMU, or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global note certificate (each a "**Restricted Global Note Certificate**" and, together with the relevant Unrestricted Global Note Certificate, the "**Global Note Certificates**"), without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and Clearstream, or (b) in the case of a Series intended to be cleared through DTC, with a DTC Custodian for, and registered in the name of Cede & Co. as nominee for, DTC.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Accordingly, the Notes are being offered and sold only (i) in the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (ii) outside the United States to, or for the account or benefit of, non-U.S. persons (as defined in Regulation S under the Securities Act) in offshore transactions in accordance with Regulation S. See "*Forms of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Programme has been assigned a rating of "A1" by Moody's Investors Service Hong Kong Ltd. ("**Moody's**"). This rating is only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Moody's is not established in the European Union nor registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. The principal risk factors that may affect the ability of the relevant Issuer to fulfil its obligations in respect of the Notes, are discussed under "*Risk Factors*" below.

Arranger and Dealer
ICBC

The date of this Offering Circular is 27 May 2021

IMPORTANT NOTICE

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

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "Conditions" or the "Terms and Conditions of the Notes") as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a pricing supplement (each, a "Pricing Supplement") which with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange on or before the date of issue of the Notes of such Tranche.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the relevant Issuer, the Group, the Arranger and the Dealer to inform themselves about and to observe any such restrictions. None of the relevant Issuer, the Group, the Arranger or the Dealer represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the relevant Issuer, the Group, the Arranger or the Dealer which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC and Singapore, and to persons connected therewith. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Accordingly, the Notes may only be offered or sold (i) in the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and/or (ii) outside the United States, to, or for the account or benefit of, non-U.S. persons in offshore transactions in reliance on Regulation S. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or to U.S. persons. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see "*Subscription and Sale*" and "*Transfer Restrictions*". Any Series of Notes may be subject to additional selling restrictions. Any additional restrictions on the sale or transfer of any Series of Notes will be specified in the applicable Pricing Supplement for such Notes. Purchasers of the Notes in the U.S. are advised to consult legal counsel prior to making any transfer of such Notes.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Bank. The Bank accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Bank, any Branch Issuer, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Bank, the relevant Branch Issuer, the Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

No person has been authorised by the relevant Issuer or the Group to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the relevant Issuer, the Group, any Arranger or any Dealer.

None of the Dealers, the relevant Issuer or the Group makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

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

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the relevant Issuer, the Group, the Arranger, the Dealer, or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank, the relevant Branch Issuer and the Group.

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

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.$20,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

None of the Arranger, the Dealer or any Agents (as defined under "*Terms and Conditions of the Notes*") has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealer or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealer or any Agent or any director, officer, employee, agent or affiliate of any such person accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by an Arranger, a Dealer, any Agent, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Bank, the relevant Branch Issuer, the Group, the Notes, or the issue and offering of the Notes. Each Arranger, each Dealer and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

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

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

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

AVAILABLE INFORMATION

In the event that Notes are offered and sold in reliance on Rule 144A, the relevant Issuer shall furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs/IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF INFORMATION

Certain monetary amounts set out in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be the arithmetic sums of the figures that precede them. In this Offering Circular, references to "U.S. dollars", "U.S.$" or "USD" are to United States dollars, the lawful currency of the United States, references to "Sterling" and "£" are to the lawful currency of the United Kingdom, references to "Euro", "EUR" or "C" are to the lawful currency of the Eurozone, references to "RMB" or "Renminbi" are to the lawful currency of the PRC, references to "Hong Kong dollars", "HKD" or "HK$" are to Hong Kong dollars, the lawful currency of Hong Kong, references to "MOP" are to Macau pataca, the lawful currency of Macau, references to "MXN" are to Mexican Pesos, the lawful currency of Mexico, references to "MYR" are to Malaysian ringgit, the lawful currency of Malaysia, references to "IDR" are to Indonesian rupiah, the lawful currency of Indonesia, references to "THB" are to Thai baht, the lawful currency of Thailand, references to "KZT" are to Kazakhstani tenge, the lawful currency of Kazakhstan, references to "NZD" are to New Zealand dollars, the lawful currency of New Zealand, references to "RUB" are to Russian rubles, the lawful currency of Russia, references to "CAD" are to Canadian dollars, the lawful currency of Canada, references to "ARS" are to Argentine pesos, the lawful currency of Argentina, references to "BRL" are to Brazilian real, the lawful currency of Brazil, references to "ZAR" are to South African rand, the lawful currency of South Africa and references to "JPY" or "Japanese Yen" are to Japanese yen, the lawful currency of Japan and references to "TRY" are to Turkish lira, the lawful currency of Turkey.

The audited consolidated financial statements of the Group as at and for the years ended 31 December 2019 and 2020 incorporated by reference in this Offering Circular have been prepared and presented in accordance with the International Financial Reporting Standards ("**IFRSs**"). Significant differences exist between IFRSs and generally accepted accounting principles in the United States ("**U.S. GAAP**") that might be material to the financial information herein. The Bank has made no attempt to quantify the impact of those differences. In making an investment decision, prospective investors must rely upon their own examination of the Bank, the terms of the offering and the financial information. Prospective investors should consult their own professional advisers for an understanding of the differences between IFRSs and U.S. GAAP and how those differences might affect the financial information herein.

On 29 April 2021, the Bank announced its unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2021 (the "**Group's 2021 First Quarterly Results**"). The Group's 2021 First Quarterly Results are not audited or reviewed by KPMG and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Neither the Arranger, the Dealer, or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation or warranty, express or implied, regarding the sufficiency of the Group's 2021 First Quarterly Results for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition and results of operations of the Group. In addition, the Group's 2021 First Quarterly Results should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2021.

On 1 January 2019, the Bank adopted IFRS 16 – Leases. For the impact of the adoption of IFRS 16 on the Bank, please refer to Note 2(3) "Basis of Preparation – Change in accounting policies – IFRS 16 "Leases"" of the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 incorporated by reference in this Offering Circular. The Bank elected to use the modified retrospective approach for the adoption of IFRS 16 under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The corresponding financial information as at and for the year ended 31 December 2018 included in the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 has not been restated. The financial information of the Group as at and for the year ended 31 December 2018 included in this Offering Circular may not be directly comparable with the financial information of the Group as at and for the years ended 31 December 2019 and 2020 and the financial information of the Group as at and for the period ended 31 March 2021.

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

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

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Bank*", and elsewhere in this Offering Circular constitute "forward-looking statements". The words including "believe", "intend", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the management of the Group for its future operations (including development plans and objectives relating to the Group's operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The Bank, the Group or the relevant Branch Issuer expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Bank's or the Group's or the relevant Branch Issuer's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the Bank's, the Group's or the relevant Branch Issuer's expectations. All subsequent written and forward-looking statements attributable to the Bank, the Group or the relevant Branch Issuer or persons acting on behalf of the Bank, the Group or the relevant Branch Issuer are expressly qualified in their entirety by such cautionary statements.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

The following documents which previously have been published and have been filed with HKSE shall be incorporated in, and form part of, this Offering Circular:

- the announcement of the Group's first quarterly results of 2021, containing the unaudited and unreviewed consolidated financial results of the Group as at and for the three months ended 31 March 2021 (published on 29 April 2021);

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 together with the Independent Auditor's Report thereon, as set out on pages 140 to 281 (inclusive) of the annual report (published on 23 April 2021) of the Bank for the year ended 31 December 2020 (the "**2020 Annual Report**");

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 together with the Independent Auditor's Report thereon, as set out on pages 144 to 290 (inclusive) of the annual report (published on 24 April 2020) of the Bank for the year ended 31 December 2019 (the "**2019 Annual Report**");

- the following documents published from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular:

  (i) the most recently published audited consolidated annual financial statements of the Group, together with any audit reports prepared in connection therewith;

  (ii) the most recently published unaudited consolidated half-year financial statements of the Group, together with any review reports prepared in connection therewith;

  (iii) the most recently published unaudited consolidated quarterly financial results of the Group; and

- all supplements or amendments to this Offering Circular published by the relevant Issuer from time to time,

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

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

Copies of all such documents which are incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Issuing and Paying Agent (as defined under "*Terms and Conditions of the Notes*") at Level 24, HSBC Main Building, 1 Queen's Road Central, Hong Kong.

The documents incorporated by reference in this Offering Circular have been or will be published on the website of HKSE. For the avoidance of doubt, the content of the websites of HKSE does not form part of this Offering Circular.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Bank is incorporated under the laws of the PRC. Most of their directors and officers reside outside the United States (principally in the PRC and/or the relevant Issuer's place of business). A substantial portion of the assets of the relevant Issuer(s) and the assets of such persons are or may be located outside the United States. The Bank has been advised by its PRC counsel, King & Wood Mallesons, that there is uncertainty or impossible to ascertain as to whether the courts of the PRC would (1) enforce judgments of the U.S. courts obtained against the Bank or its directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States or (2) entertain original actions brought in the courts of the PRC against the Bank or its directors and officers predicated upon these civil liabilities provisions.

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OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this overview.

Issuer	Industrial and Commercial Bank of China Limited or such branch of the Bank (including Hong Kong Branch), as specified in the applicable Pricing Supplement.
Legal Entity Identifier	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40.
Description	Global Medium Term Note Programme.
Programme Size	Up to U.S.$20,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) aggregate nominal amount of Notes outstanding at any time. The Bank may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the relevant Issuer in fulfiling its obligations in respect of the Notes are discussed under the section "*Risk Factors*" below.
Arranger and Dealer	Industrial and Commercial Bank of China (Asia) Limited. The Bank may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers in respect of the Programme and the relevant Issuer may from time to time appoint additional dealers in respect of one or more Tranches. References in this Offering Circular to "**Permanent Dealers**") are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
U.S. Issuing and Paying Agent, U.S. Transfer Agent and U.S. Registrar	HSBC Bank USA, National Association.
CMU Lodging and Paying Agent, Transfer Agent, Issuing and Paying Agent and Registrar	The Hongkong and Shanghai Banking Corporation Limited.

Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.
Clearing Systems	Euroclear, Clearstream and/or the CMU for Bearer Notes, Euroclear, Clearstream, DTC and/or the CMU for Registered Notes and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer.
Form of Notes	Notes may be issued in bearer form or in registered form. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub-custodian for Euroclear, Clearstream and/or as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will initially be represented by Global Note Certificates. Registered Notes sold to non-U.S. persons in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Note Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Note Certificate. Global Note Certificates representing Registered Notes will be held in Euroclear, Clearstream, DTC or a common depositary on their behalf, or the CMU operated by the HKMA.
Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes	The Notes constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the relevant Issuer which will at all times rank pari passu among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Maturities	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Notes having a maturity of less than one year	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) and at the price specified in the relevant Pricing Supplement.
Redemption for tax reasons	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption for tax reasons*).
Interest	Notes may be interest bearing or non interest bearing. Interest (if any) may accrue at a fixed rate, floating rate, other variable rate or be index linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.
Benchmark Discontinuation	See Condition 6(f) (Benchmark Replacement for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark) and 6(g) (*Benchmark Replacement* (*SOFR Benchmark*)).
Denominations	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Events of Default	The Notes will contain certain events of default provisions, including a cross-default provision as further described in Condition 13 (*Events of Default*).
Withholding Tax	All payments of principal and interest in respect of Notes will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority thereof having power to tax, unless the withholding or deduction is required by law. In that event, the relevant Issuer will (subject to certain customary exceptions as described in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.
Listing and admission to trading	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies). However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, stock exchange or quotation system.
Governing Law	English law.
Ratings	The Programme has been assigned a rating of "A1" by Moody's. This rating is only correct as at the date of this Offering Circular. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC and Singapore, see "*Subscription and Sale*" below.
Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Regulation S prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A. See "*Transfer Restrictions*" below.

Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Note Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, or deposited with a sub-custodian for the CMU, or, in the case of Registered Notes only, deposited with the DTC Custodian for, and registered in the name of Cede & Co. as a nominee for, DTC, or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by, as the case may be, the relevant Issuer, the Issuing and Paying Agent and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be held in Euroclear and Clearstream or a common depositary on their behalf, DTC, or the CMU operated by the HKMA.

The summary consolidated statement of profit or loss data for the years ended 31 December 2018, 2019 and 2020 and the summary consolidated statement of financial position data as at 31 December 2018, 2019 and 2020 set forth below are extracted or derived from the consolidated financial statements of the Group as at and for the year ended 31 December 2019 and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 incorporated by reference in this Offering Circular. Prospective investors should read the summary financial information set forth below in conjunction with the financial statements incorporated herein by reference.

The Bank adopted IFRS 16 – Leases on 1 January 2019. See "Presentation of Information" elsewhere in this Offering Circular for further details regarding the presentation of the Bank's financial information in this Offering Circular as a result thereof.

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS DATA

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

	For the year ended 31 December		
	2018	**2019**	**2020**
	(in RMB millions)		
Net Interest Income[(1)]	593,677	632,217	646,765
Net Fee and Commission Income[(1)]	124,394	130,573	131,215
Net trading income	2,846	8,447	2,222
Net gain/(loss) on financial investment	1,345	(3,682)	11,829
Other operating income, net[(1)]	2,859	8,447	8,044
Operating Income	725,121	776,002	800,075
Operating expenses	(194,203)	(207,776)	(206,585)
Impairment losses on assets – Loans and advances to customers	(147,347)	(162,108)	(171,830)
Impairment losses on assets – Others	(14,247)	(16,849)	(30,838)
Operating Profit	369,324	389,269	390,822
Share of profits of associates and joint ventures	3,089	2,520	1,304
Profit before taxation	372,413	391,789	392,126
Income tax expense	(73,690)	(78,428)	(74,441)
Profit for the year	298,723	313,361	317,685
Attributable to equity holders of the parent company	297,676	312,224	315,906
Attributable to non-controlling interests	1,047	1,137	1,779

Note:

(1) According to the Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Strengthening the 2020 Annual Report of Enterprises (《關於嚴格執行企業會計準則,切實加強企業2020年年報工作的通知》) promulgated by MOF, SASAC, CBIRC and CSRC, credit card instalment fee income and related expenses are reclassified from fee and commission income and expense to interest income and other net operating income. The data for the comparative years of 2019 and 2018 has been adjusted accordingly and the relevant financial indicators have also been restated.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

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

	As at 31 December		
	2018	2019	2020
	(in RMB millions)		
Assets			
Cash and balances with central banks	3,372,576	3,317,916	3,537,795
Due from banks and other financial institutions	962,449	1,042,368	1,081,897
Derivative financial assets	71,335	68,311	134,155
Reverse repurchase agreements	734,049	845,186	739,288
Loans and advances to customers	15,046,132	16,326,552	18,136,328
Financial investments	6,754,692	7,647,117	8,591,139
Investments in associates and joint ventures	29,124	32,490	41,206
Property and equipment	290,404	286,561	286,279
Deferred income tax assets	58,375	62,536	67,713
Other assets[(1)]	380,404	480,399	729,258
Total assets	27,699,540	30,109,436	33,345,058
Liabilities			
Due to central banks	481	1,017	54,974
Financial liabilities designated as at fair value through profit or loss	87,400	102,242	87,938
Derivative financial liabilities	73,573	85,180	140,973
Due to banks and other financial institutions	1,814,495	2,266,573	2,784,259
Repurchase agreements	514,801	263,273	293,434
Certificates of deposit	341,354	355,428	335,676
Due to customers	21,408,934	22,977,655	25,134,726
Income tax payable	84,741	96,192	89,785
Deferred income tax liabilities	1,217	1,873	2,881
Debt securities issued	617,842	742,875	798,127
Other liabilities[(1)]	409,819	525,125	712,770
Total liabilities	25,354,657	27,417,433	30,435,543
Total equity	2,344,883	2,692,003	2,909,515
Total equity and liabilities	27,699,540	30,109,436	33,345,058

Note:

(1) On 1 January 2019, the Bank adopted IFRS 16, and the Bank elected to use the modified retrospective approach for the adoption of IFRS 16 under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The financial information as at and for the year ended 31 December 2018 included in this Offering Circular has not been restated and may not be directly comparable with the financial information as at and for the years ended 31 December 2019 and 2020.

SUMMARY OF KEY FINANCIAL AND OPERATING INDICATORS

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

	For the year ended 31 December		
	2018	2019	2020
Profitability indicators (%)			
Return on average total assets[1]	1.11	1.08	1.00
Return on weighted average equity[2]	13.79	13.05	11.95
Net interest spread[3][4]	2.20	2.12	1.97
Net interest margin[4][5]	2.36	2.30	2.15
Return on risk-weighted assets[6]	1.81	1.75	1.64
Ratio of net fee and commission income to operating income[4]	17.15	16.83	16.40
Cost-to-income ratio[7]	25.71	25.79	24.76

	As at 31 December		
	2018	2019	2020
Asset quality indicators (%)			
NPL ratio[8]	1.52	1.43	1.58
Allowance to NPLs[9]	175.76	199.32	180.68
Allowance to total loans ratio[10]	2.68	2.86	2.85
Capital adequacy indicators (%)			
Core Tier 1 Capital Adequacy Ratio[11]	12.98	13.20	13.18
Tier 1 Capital Adequacy Ratio[11]	13.45	14.27	14.28
Capital Adequacy Ratio[11]	15.39	16.77	16.88
Leverage Ratio[12]	7.79	8.31	8.14
Total equity to total assets ratio	8.47	8.94	8.73
Risk-weighted assets to total assets ratio	62.06	61.83	60.35
Liquidity ratios (%)			
RMB current assets to RMB current liabilities[13]	43.8	43.0	43.2
Foreign currency current assets to foreign currency current liabilities[13]	83.0	85.9	91.4

Notes:

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

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

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

(4) According to the Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Strengthening the 2020 Annual Report of Enterprises (《關於嚴格執行企業會計準則,切實加強企業2020年年報工作的通知》) promulgated by MOF, SASAC, CBIRC and CSRC, credit card instalment fee income and related expenses are reclassified from fee and commission income and expense to interest income and other net operating income. The data for the comparative years of 2019 and 2018 has been adjusted accordingly and the relevant financial indicators have also been restated.

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

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

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

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

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

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

(11) Calculated in accordance with the Capital Regulation.

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

(13) Calculated in accordance with the formula promulgated by the CBRC and based on the financial information prepared in accordance with the Generally Accepted Accounting Principles in the PRC (the "**PRC GAAP**"). The liquidity ratios are prepared on a semi-annual basis and the disclosed average liquidity ratio is the arithmetic mean of two consecutive liquidity ratios as at 30 June and 31 December.

EXCHANGE RATE INFORMATION

The People's Bank of China (the "**PBOC**") sets and publishes a base exchange rate on a daily basis with reference primarily to the supply and demand of Renminbi against a basket of U.S. dollar currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to 20 July 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set by the PBOC, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the international financial markets. Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currency for current account items, conversion of Renminbi into foreign exchange for capital items, such as foreign direct investment, loans or securities investment, requires the approval of the State Administration of Foreign Exchange ("**SAFE**") and other relevant authorities.

On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2 per cent. against the U.S. dollar. The PRC Government has since made and in the future may make further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of Renminbi against certain foreign currencies at 9:15 a.m. each business day. This rate is set as the central parity exchange rate for the trading in the inter-bank foreign exchange spot market and the trading over the counter for the business day. On 19 June 2010, the PBOC announced that the PRC Government would further reform the Renminbi exchange rate regime to increase the flexibility of the exchange rate. On 16 April 2012, the PBOC further enlarged the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar to 1 per cent. around the central parity rate. Effective from 17 March 2014, such floating band was further enlarged to 2 per cent.

The PRC Government may make further adjustments to the exchange rate system in the future. The following table sets forth information concerning exchange rates between the Renminbi and U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this Offering Circular or will use in the preparation of our periodic reports or any other information to be provided to you. Exchange rates of Renminbi into U.S. dollars are based on the noon buying rate in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

	Noon Buying Rate			
	Period end	**Average[(1)]**	**High**	**Low**
	(RMB per U.S.$1.00)			
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7350	6.8900	6.5063
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9081	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4730	6.4601	6.4869	6.4344
March	6.5518	6.5109	6.5716	6.4648
April	6.4749	6.5186	6.5649	6.4710
May (1 to 21 May)	6.4339	6.4449	6.4749	6.4156

Note:

(1) Annual averages are calculated by using the average of the exchange rates on the last business day of each month during the relevant year. Monthly averages or the average for a period are calculated by using the average of the daily rates during the relevant month or period.

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

RISKS RELATING TO OUR BUSINESS

Risks Relating to Our Loans, Deposits and Investments

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

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

The economic recovery since the 2008 global financial crisis has been slow, with economic growth rates in major economies such as Europe, the United States, Japan and the PRC generally remaining persistently lower than pre-crisis levels. Moreover, there are on-going concerns about European sovereign debt levels and the consequences for economic growth and investor confidence in the Eurozone, the prolonged period of uncertainty around the exit of the United Kingdom from the European Union ("**Brexit**"), the China and United States trade wars, the political gridlock in the United States over government spending and debt levels and the consequences for economic growth and investor confidence in the United States. On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The United Kingdom and the European Union will have a transition period until 31 December 2020 to negotiate, among others, trade agreements in details. Given the lack of precedent and uncertainty of the negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market.

On 12 March 2020, the World Health Organisation declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in many countries, including China, Japan, the United States, members of the European Union and the United Kingdom, declaring a state of emergency and imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities arising from the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. As the COVID-19 pandemic continues to adversely affect business activities globally, governments and central banks across the world have introduced or are planning fiscal and monetary stimulus measures including direct subsidies, tax cuts, interest rates cuts, quantitative easing programmes and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of the COVID-19 pandemic, stabilise the capital markets and provide liquidity easing to the markets. In addition, the PRC regulators have promulgated a series of measures to encourage PRC financial institutions to increase financial support to business and consumers to combat the challenges arising from the COVID-19 outbreak.

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

- during a period of economic slowdown, there is a greater likelihood that more of our customers or counterparties could become delinquent in respect of their loan repayments or other obligations to us, which, in turn, could result in a higher level of non-performing loans ("NPLs"), allowances for impairment losses and write-offs;

- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where we operate may restrict our business flexibility and increase our compliance costs;

- the value of our investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;

- our ability to raise additional capital on favourable terms, or at all, could be adversely affected; and

- trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect our business prospects.

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

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

During the three years ended 31 December 2018, 2019 and 2020, we experienced continued growth in our loan balances. Our total loans and advances to customers increased from RMB15,419.9 billion as at 31 December 2018 to RMB16,761.3 billion as at 31 December 2019 and further increased to RMB18,624.3 billion as at 31 December 2020. As at 31 December 2018, 2019 and 2020, our NPLs amounted to RMB235.1 billion, RMB240.2 billion and RMB294.0 billion, respectively, representing NPL ratios of 1.52 per cent., 1.43 per cent. and 1.58 per cent., respectively.

We cannot assure you that the quality of our existing or future loans to customers will not deteriorate. Deterioration in the overall quality of our loan portfolio or other assets may occur due to a variety of reasons, including factors beyond our control such as a slowdown in the growth of the PRC or global economies, a recurrence of the global credit crisis, other adverse macroeconomic trends in the PRC and other parts of the world and the occurrence of natural disasters, which may adversely affect the businesses, operations or liquidity of our borrowers or their ability to repay their debt. Any significant deterioration in our asset quality may lead to increases in our NPLs and allowances made for NPLs, which may have a material adverse effect on our business, financial condition and results of operations.

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

We are required to maintain a minimum level of allowances for impairment losses on loans as compared to our total NPLs (known as a "**Bad Loans Coverage Ratio**"). The Administrative Measures for the Loan Loss Reserves of Commercial Banks issued by the CBRC on 27 July 2011 (the "**Administrative Measures**") set forth a minimum standard for basic Bad Loans Coverage Ratio of 150 per cent. which applied with effect from 1 January 2012. The Administrative Measures also provided that such ratio may be adjusted by the CBIRC in response to the prevailing macroeconomic environment or individually adjusted and applied to a relevant bank depending on such bank's operating conditions. Accordingly, the actual Bad Loans Coverage Ratio applicable to the Bank from time to time may be different from the ratio

published under the Administrative Measures. The CBIRC issued the Notice on Adjusting the Regulatory Requirements for the Loan Loss Reserves of Commercial Banks (關於調整商業銀行貸款損失準備監管要求的通知) in 2018, which adjusted the minimum standard for basic Bad Loans Coverage Ratio from 150 per cent. to a range from 120 per cent. to 150 per cent.

As at 31 December 2018, 2019 and 2020, our allowance to NPLs was 175.76 per cent., 199.32 per cent. and 180.68 per cent., respectively. Whilst the Bank's current level of allowance to NPLs is above the regulatory requirement applicable to the Bank, there have been instances in the past (for instance, our allowance to NPLs as at 31 December 2016 was 136.69 per cent.) where our allowance to NPLs fell below the then prevailing minimum requirement, as prescribed under the Administrative Measures.

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

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

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

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

As at 31 December 2018, 2019 and 2020, our corporate loans represented 61.0 per cent., 59.4 per cent. and 59.6 per cent. of our total loans, respectively. As at 31 December 2020, our domestic branches' corporate loans to the (i) transportation, storage and postal services, (ii) manufacturing, (iii) leasing and commercial services, (iv) water, environment and public utility management, (v) production and supply of electricity, heat, gas and water, (vi) real estate and (vii) wholesale and retail represented approximately 25.2 per cent., 15.9 per cent., 14.8 per cent., 11.8 per cent., 10.2 per cent., 7.2 per cent. and 4.5 per cent., respectively, of our total domestic branches' corporate loans.

We are also exposed to the real estate sector through our residential mortgage loans and corporate loans in the real estate sector. As at 31 December 2020, our residential mortgages grew by RMB562,036 million or 10.9 per cent. as compared to 31 December 2019. The PRC Government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating, such as setting minimum down payment requirements and minimum mortgage rates on residential housing purchases, imposing value-added taxes on the transfer of certain residential properties and levying mandatory personal income tax for second home sales. Such measures may adversely affect the growth of our loans related to real estate. Recently, the PRC Government has loosened lending policies regarding the real estate market, although such policies are subject to change. In addition, a downturn in the PRC's real estate market may materially and adversely affect the quality of our existing loans and our ability to generate new loans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Moreover, there has been an increase in our balance of inclusive finance loans to small and micro enterprises and medium-sized enterprises as at and for the year ended 31 December 2020 by RMB273,706 million or 58.0 per cent. to RMB745,227 million as compared to 31 December 2019. The business operations of small and micro enterprises and medium-sized enterprises may be less stable than large enterprises and more vulnerable to adverse changes in the economic environment. Small and micro enterprises and medium-sized enterprises may also be more likely to suffer from inadequate or ineffective internal control or risk management systems. These factors may increase the credit risk of loans to small and micro enterprises and medium-sized enterprises.

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

As at 31 December 2018, 2019 and 2020, the total amount of loans granted to our single largest customer accounted for 3.8 per cent., 3.1 per cent. and 3.5 per cent., respectively, of our net capital, while the total amount of loans granted to our top ten largest customers accounted for 12.9 per cent., 12.6 per cent. and 14.8 per cent., respectively, of our net capital.

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

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

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

Our loans to LGFVs are mainly made to the investment and financing vehicles of various development zones, state-owned asset management companies and urban construction investment companies. Most of these loans were made to financing vehicles at a provincial and municipal level. In recent years, with the aim of reinforcing the risk management of loans to LGFVs, the PRC State Council (the "**State Council**"), the CBRC and the PBOC, along with several other PRC regulatory authorities, have promulgated a series of notices, guidelines and other regulatory documents to direct PRC banks and other financial institutions to optimise and strengthen their risk management measures regarding their loans to LGFVs.

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

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

Our loans and advances to customers before provision have grown significantly in the past few years, having increased from RMB15,419.9 billion as at 31 December 2018 to RMB16,761.3 billion as at 31 December 2019 and further increased to RMB18,624.3 billion as at 31 December 2020. The growth of our loan portfolio may be affected by various factors, such as the PRC's macroeconomic policies and capital constraints. In the future, the growth rate of our loan portfolio may slow down, or the balance of our loan portfolio may even decline. In addition, in response to constraints on our regulatory capital, we may adopt strategies to reduce our reliance on our loan portfolio and expand our activities in other businesses that require relatively lower capital. Any of the foregoing factors could impact the growth of our loan portfolio and thereby materially and adversely affect our business, financial condition and results of operations.

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

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

For example, on 26 February 2013, the State Council promulgated the Notice of the General Office of the State Council on Continuing Regulation and Control of Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which requires banking institutions to implement differentiated housing credit policies, further implement the policy of down payment ratio and mortgage rate for first-time house buyers and tighten the credit policies for buyers of second or additional homes, and imposes a personal income tax on the profit generated from sale of residential property. Such measures may slow down the development of the residential real estate market in the PRC, hinder an increase in residential mortgages and reduce the average amount of residential mortgages, and thus have a material adverse impact on our retail banking business. Since 2017, the PRC Government has been favouring the position that householding shall be for residential purposes instead of speculative investment. It has accordingly regulated the real estate markets based on different development stages of different cities and took the responsibilities as regulating local authorities. As a result, the residential property market in the PRC has slowed down significantly and the housing mortgage business developed in a stable manner with a decreasing trend.

The rapid expansion of our retail banking business also increases our exposure to changes in economic conditions affecting PRC consumers. For example, a slowdown in the PRC's economic development could adversely affect the ability of retail borrowers and credit card holders to make payments, thereby increasing the probability of defaults and reducing the demand for retail loans and credit cards. Such a slowdown may also reduce the demand for our non-interest-based products and services, which could result in a reduction in, among others, our credit card transaction volumes and sales of investment products. Accordingly, economic difficulties in the PRC that have a material adverse effect on PRC consumers could materially and adversely affect our business, financial condition and results of operations.

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

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

Changes in major accounting policies.

On 1 January 2019, the Group adopted IFRS 16. The Bank elected to use the modified retrospective approach for the adoption of IFRS 16 under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The corresponding financial information as at and for the year ended 31 December 2018 included in the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 has not been restated. The financial information of the Group as at and for the year ended 31 December 2018 included in this Offering Circular may not be directly comparable with the financial information of the Group as at and for the years ended 31 December 2019 and 2020 and the financial information of the Group as at and for the period ended 31 March 2021. For the impact of the adoption of IFRS 16 on the Bank, please refer to Note 2(3) "Basis of Preparation – Change in accounting policies – IFRS 16 "Leases"" of the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 incorporated by reference in this Offering Circular.

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

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

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

A significant portion of our loans is secured by collateral or guarantees. As at 31 December 2020, 46.8 per cent. and 7.5 per cent. of our total loans were secured by mortgages and pledges, respectively, and 12.1 per cent. of our total loans were secured by guarantees. The remainder of our loans as at 31 December 2020 were unsecured loans.

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

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

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

Other Risks Relating to Our Business

We are subject to interest rate risk.

Similar to many other PRC commercial banks, our net interest income contributes significantly to our operating revenue. For the years ended 31 December 2018, 2019 and 2020, our net interest income accounted for 82 per cent., 81 per cent. and 81 per cent. of our operating income, respectively. Our net interest income and net interest margin vary with the changes in the interest term structure of our asset and liability business. When the interest rate fluctuates, due to the different timings for re-pricing of different financial instruments, the timing for debt interest rate re-pricing is earlier than that of the asset interest rate when interest rate increases and vice versa. As a result, our net interest rate may decrease or the interest margin may be narrowed. When the pricing benchmark interest rates are different, the inconsistent changes in the in the benchmark interest rates, the holding of option derivatives or financial instruments with options and the changes in credit spread due to the changes in market's assessment of the credit quality of financial instruments could all give rise to the above-mentioned risks.

With the development in the financial market reforms and the marketisation of interest rates, the fluctuations in the deposit and loan business increases and the impact of the interest rate risks on our overall operation increases. In terms of deposit business, the PBOC removed the restriction imposed on the higher limit for the floating interest rate on 24 October 2015. The pressure on controlling costs of liability business increased due to the competition in the PRC's banking industry. In terms of loan business, on 17 August 2019, the PBOC issued a bulletin on reforming and improving the loan prime rate ("**LPR**") calculation mechanism and further promoted pricing benchmark conversion of existing loans since 2020. LPR pricing changes more frequently and does not match the changes in benchmark deposit rate, therefore the impact of the gap risk and benchmark risk on operations increases. In addition, customer behaviours under different interest rate cycles such as prepayment of loan or early withdrawal of deposits will increase the uncertainty in the cashflow of our assets and liabilities which will change the level of interest income of interest-bearing assets and the cost of interest-bearing liabilities which will give rise to changes in net interest income and net interest margin. For instance, if the LPR pricing decreases, the profits derived from loan business will decrease which will cause customers to prepay their existing loans and reapply for new loans and the level of interest income of asset business will be affected. If the benchmark deposit rate does not decrease accordingly, the cost of liability business will keep increasing which will squeeze the net interest margin. In this case, in order to alleviate the impact of interest risks, mismatch of interest rates on the assets and liabilities needs to be reallocated and the pricing mechanisms need to be optimised. There is however no assurance that such mechanism would be effective to eliminate all or any of the interest risks.

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

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

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

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

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

- regulatory compliance, legal and conduct risk, arising from both the continued sale of products referencing IBORs, sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that we are unable to meet regulatory milestones associated with the discontinuance of sale of certain IBOR products, which may result in regulatory investigations or reviews being conducted into our preparation and readiness for the replacement of IBORs with alternative reference rates. Additionally, if our sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;

- legal risks associated with the enforceability of fall-back provisions in IBOR contracts. There is a risk that some contracts will not be transitioned before the relevant IBOR is discontinued and the parties will need to rely on the "fall-back" provisions of those contracts. As these fall-back provisions do not always contemplate the permanent cessation of the relevant IBOR, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed in the UK, U.S. and EU, market participants will need to consider the impact of any proposals ultimately adopted; and

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

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

We are subject to currency risk.

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

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

We are subject to liquidity risk.

Customer deposits have historically been our main source of funding. As at 31 December 2018, 2019 and 2020, 48.3 per cent., 48.1 per cent. and 50.3 per cent. of our total customer deposits were demand deposits respectively. If a substantial portion of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, we may need to pay higher costs to obtain alternative sources of funding to meet our funding requirements. Our ability to obtain additional sources of funding may be affected by factors such as deterioration of market conditions and disruptions to financial markets. We may not be able to secure required funding on commercially acceptable terms on a timely basis or at all, which could result in liquidity risk and materially and adversely affect our business, financial condition and results of operations.

In addition, we rely on the inter-bank money market to obtain a portion of our funding, including the portion of funds that are used to manage our liquidity. Any fluctuation in liquidity or funding costs on the inter-bank money market, including as a result of a financial or other crisis or changes in the PBOC's policies or practices affecting the liquidity of other banking institutions, may materially and adversely affect our ability to fund our business and manage our liquidity through the inter-bank money market.

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

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

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

In recent years, we have taken actions to expand our international operations. As at 31 December 2020, we had 426 institutions in 49 countries and regions and indirectly covered 20 African countries as a shareholder of Standard Bank Group Limited. The Bank also maintained 124 institutions in 21 countries and regions along the "Belt and Road" as at 31 December 2020. Our expansion into jurisdictions outside of the PRC subjects us to new regulatory and operational challenges and risks and has also increased the complexity of our risks in a number of areas, including credit and liquidity risk, interest rate risk, market and country risk, reputational risk and operational risk. The loan portfolio of our international branches includes foreign currency-denominated loans to Chinese companies engaged in international trade. This exposes us to additional risks including default risk resulting from a failure in the performance of the import or export agreements by any party, trade protectionist measures or other factors, and our inexperience in various aspects of the economic and legal framework in overseas markets. Adverse market conditions in these international jurisdictions may result in mark-to-market and realised losses on the investment assets held by our overseas branches and increase their cost of funding.

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

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

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

In recent years, growth of deposits in the PRC banking industry has begun to slow down as progress has been made in terms of interest rate liberalisation, financial disintermediation and financing channel expansion. In response to such developments, PRC commercial banks, including the Group, provide wealth management and other financial services through their wealth management businesses. For the years ended 31 December 2018, 2019 and 2020, the net fee and commission income generated from personal wealth management and private banking services amounted to RMB27,596 million, RMB27,337 million and RMB29,630 million, respectively. Additionally, for the years ended 31 December 2018, 2019 and 2020, the net fee and commission income generated from corporate wealth management services amounted to RMB14,582 million, RMB14,024 million and RMB15,554 million, respectively.

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

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

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

Our off-balance sheet credit commitments and financial guarantees primarily consist of, *inter alia*, bank acceptances, loan commitments, guarantees and letters of credit. As at 31 December 2019, our credit risk-weighted amount of credit commitments was RMB1,306.8 billion, and our credit commitments amounted to RMB2,963.1 billion. As at 31 December 2020, our credit risk-weighted amount of credit commitments was RMB1,106.4 billion, and our credit commitments amounted to RMB2,711.5 billion. We are exposed to credit risk related to such credit commitments and guarantees. If our customers cannot perform their obligations, we will need to fulfil the related commitments and guarantees. In addition, if we cannot obtain compensation from relevant customers, our business, financial condition and results of operations may be materially and adversely affected.

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

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

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

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

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

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

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

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

Industrial and Commercial Bank of China (Europe) S.A. ("**ICBC (Europe)**"), a wholly-owned subsidiary of the Bank, together with ICBC (Europe)'s Spain Branch, have cooperated with the Spanish civil department authorities in investigations directed against ICBC (Europe) and the employees of ICBC (Europe)'s Spain Branch. In January 2020, the National Court of Spain had concluded its criminal investigations of ICBC (Europe) and had dismissed all criminal allegations relating to the alleged money laundering activities of ICBC (Europe). In addition, the New York Branch of the Bank, and the Bank itself, are currently cooperating with the Federal Reserve Bank of New York (the "**Federal Reserve**") following the identification by the Federal Reserve of significant deficiencies in the New York Branch's risk management and money-laundering compliance programmes. We continue to work with all relevant regulatory agencies to ensure compliance with applicable regimes.

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

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

We have continued to strengthen the detection and prevention of fraud or other misconduct committed by our employees or third parties. However, as we have many branches in the PRC and elsewhere, our employees or third parties that are subject to the Bank's policies may from time to time be involved in improper conduct. In such situations where such improper conduct is discovered or known, such activities

will be handled in accordance with the internal policies of the Bank, and if required, by the applicable authorities under the applicable laws, regulations or public policy. We also cannot assure you that our internal control policies and procedures will completely and effectively prevent all fraud or other misconduct committed by our employees or third parties. Any fraud or misconduct involving us or our employees may adversely affect our business, financial condition and results of operations.

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

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

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

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

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

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

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

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

In consideration of the various investment channels and market returns currently available in the market, there is a certain level of opportunity cost borne by our holding the Huarong Bonds. However, given the large investment size and long investment term of the bonds, if the principal of the Huarong Bonds were to be reallocated, it would be difficult to allocate all the capital to long-term loans. We would only be able to allocate to non-credit exposure assets, with the investment returns limited by the size of the Renminbi bond market. Therefore, we believe the opportunity cost of holding the Huarong Bonds has a relatively small impact on our operations.

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

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

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

As at 31 December 2020, Huijin directly held 34.71 per cent. of our total combined H Shares and domestic-listed shares (the A Shares, and together with the H Shares and any other ordinary shares of the Bank in issue from time to time, the "**Ordinary Shares**"). In August and September 2010, Huijin issued the Central Huijin Investment Ltd. bonds (the "**Huijin Bonds**") in the national inter-bank bond market.

The CBRC issued the "Letter of Approval from the CBRC on Matters in respect of the Issuance of Renminbi Bonds by Central Huijin Investment Ltd." (Yin Jian Han [2010] No. 285), pursuant to which the CBRC confirmed its treatment of the Huijin Bonds as policy financial bonds, and the risk weight associated with the investment in such bonds by commercial banks is zero. Huijin, on behalf of the State, will use the proceeds raised from such issuance for the purpose of making capital contributions to The Export-Import Bank of China and China Export & Credit Insurance Corporation and supplementing our capital and the capital of Bank of China Limited and China Construction Bank Corporation.

We subscribed for the Huijin Bonds by way of tender in the open market. As at 31 December 2020, we held an amount of RMB71,389 million face value of the Huijin Bonds, with terms ranging from 3 to 30 years and coupon rate from 2.15 per cent. to 5.00 per cent. per annum. In the event of any failure of Huijin to discharge any of its payment obligations relating to such bonds or of the obligations in such letter to be enforced by operation of law, our business, financial condition and results of operations may be materially and adversely affected.

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

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

We are subject to counterparty risks in our derivative transactions.

We act primarily as an intermediary in domestic and international foreign exchange and derivative markets, and we currently have exchange rate contracts, interest rate contracts and commodity derivatives contracts with a number of domestic and international banks, financial institutions and other entities. As a result, we are subject to credit risk from our various counterparties. As at 31 December 2020, the notional amount of our outstanding derivative financial instruments amounted to RMB8,784,445 million, derivative assets and derivative liabilities which meet the criteria for offsetting were RMB48,896 million and RMB51,690 million, respectively, and the net derivative assets and net derivative liabilities were RMB37,045 million and RMB39,839 million, respectively. Although we cautiously evaluate the credit risks from our counterparties in our derivative transactions and believe that the overall credit quality of our counterparties is adequate, there can be no assurance that parties with significant risk exposure will not have difficulty in fulfiling derivative contracts that may cause losses for us.

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

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

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

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

In response to the financial crisis, legislators and regulators around the world have adopted, continue to propose and are in the process of adopting, finalising and implementing a wide range of financial market reforms that are resulting in major changes to the way our global operations are regulated and conducted. In particular, as a result of these reforms, we are, or will become, subject to (among other things) significantly revised and expanded regulation and supervision, more intensive scrutiny of our businesses and any plans for expansion of those businesses, new activities limitations, a systemic risk regime that imposes heightened capital and liquidity requirements and other enhanced prudential standards, new resolution regimes and resolution planning requirements, new restrictions on activities and investments imposed by Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing

regulations, the "**Volcker Rule**"), and comprehensive new derivatives regulation. While certain portions of these reforms are effective, others are still subject to final rulemaking or transition periods. Many of the changes required by these reforms could materially impact the profitability of our businesses and the value of assets we hold, expose us to additional costs, require changes to business practices or force us to discontinue businesses, adversely affect our ability to pay dividends and repurchase our stock, or require us to raise capital, including in ways that may adversely impact our shareholders or creditors. While there continues to be uncertainty about the full impact of these changes, we are and will continue to be subject to a more complex regulatory framework and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

RISKS RELATING TO THE BANKING INDUSTRY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 16 December 2010 and on 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued the final text and guidance on a number of fundamental reforms to the regulatory capital framework (such reforms being commonly referred to as "**Basel III**"). In accordance with Basel III, the minimum tier 1 capital adequacy ratio has been raised to 6 per cent., while the minimum core tier 1 capital has been raised to 4.5 per cent. (with the CBIRC requiring PRC banks to maintain a higher minimum core tier 1 capital of 5 per cent.), and the minimum total capital adequacy ratio has been raised to 8 per cent. together with an additional 2.5 per cent. capital conservation buffer and a zero to 2.5 per cent. counter-cyclical capital buffer.

Following the issuance of Basel III, on 27 April 2011, the CBRC issued new guidelines setting more stringent capital adequacy, leverage, liquidity and loan loss provisioning requirements for PRC banks in accordance with the reform of the PRC's banking industry and the related regulatory framework. On 7 June 2012, the CBRC further issued the Regulation Governing Capital of Commercial Banks (Provisional Regulation) (the "**Capital Regulation**") which established a unified and comprehensive regulatory system for capital adequacy, re-defined the term "capital", expanded the scope of capital risk coverage and set forth different regulatory requirements for commercial banks with different capital adequacy levels, including the categorisation of regulatory requirements on capital into four levels. The first level requirements set out minimum thresholds, under which the requirements for core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio are set at 5 per cent., 6 per cent. and 8 per cent., respectively; the second level requirements set out the requirements for reserve capital and

counter-cyclical capital at 2.5 per cent. and zero – 2.5 per cent., respectively; the third level requirements set out the requirement for globally or domestically systemically important institutions at least 1 per cent; and the fourth level requirements is in relation to the criteria for the second pillar capital. The Capital Regulation has set higher requirements for both the quality and quantity of banks' capital and after the implementation of these measures, the definition of capital is more stringent and the regulatory standards for capital instruments are further improved. In addition, the Capital Regulation set forth a new method for calculating the capital adequacy ratio and provided a transition period for PRC commercial banks to meet their capital adequacy requirements. The Capital Regulation became effective on 1 January 2013 and it requires commercial banks to meet the regulatory capital adequacy requirements before the end of 2018.

Furthermore, the Financial Stability Board identified us as a globally systemically important bank ("**G-SIB**") on 11 November 2013. As a G-SIB, we are required to satisfy heightened capital adequacy ratios pursuant to Basel III.

In November 2017, the Basel Committee on Banking Supervision further issued new rules on how banks calculate risk-weighted assets, which are expected to be implemented in 2022. The new regulations focus on enhancing the robustness of standard risk-weighted asset calculation models and limiting the scope of use of banks' internal capital models. If the new regulations be implemented and adopted by us, it may further affect our future capital raising plan.

As at 31 December 2020, our core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio, as calculated in accordance with the Capital Regulation, were 13.18 per cent., 14.28 per cent. and 16.88 per cent., respectively, and satisfied the applicable legal and regulatory requirements and exceeded substantially the relevant requirements. Our capital adequacy ratios are able to support the stable development of our business currently.

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

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

In addition, in September 2020, the PBOC and the CBIRC released the Administrative Measures on Total Loss-Absorbing Capacity of Global Systemically Important Banks (Draft for Comments), setting out the requirements for the ratio, composition, and deduction items of Total Loss-Absorbing Capacity of G-SIBs, etc. If the Administrative Measures on Total Loss-Absorbing Capacity of Global Systemically Important Banks are officially promulgated and implemented, we will need to meet the relevant requirements of the regulations. We cannot assure you that we will be able to satisfy all such total loss-absorbing capacity requirements.

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

PBOC has adopted reform measures to liberalise the PRC's interest rate regime. For example, in October 2004, PBOC eliminated restrictions in respect of the maximum interest rate for Renminbi-denominated loans and the minimum interest rate for Renminbi-denominated deposits. Thereafter, PBOC continued to lower the minimum interest rate for loans on repeated occasions. In June 2012, PBOC adjusted the maximum interest rate for deposits to 110 per cent. of the relevant benchmark deposit rate and the minimum interest rate for loans to 80 per cent. of the relevant benchmark lending rate. In July of the same year, PBOC again adjusted the minimum interest rate for loans to 70 per cent. of the relevant benchmark lending rate. On 20 July 2013, PBOC entirely removed lending rate control by eliminating the minimum interest rate for loans (except for individual residential mortgage loans) and removing controls on bill discount rates. On 25 October 2013, PBOC introduced a new prime lending rate, officially known as the "loan prime rate" ("**LPR**"), which is based on a weighted average of lending rates from nine commercial banks. In recent years, the PBOC has adjusted the benchmark interest rates several times. On 22 November 2014, PBOC lowered the one-year Renminbi benchmark loan interest rate by 0.4 percentage point to 5.6 per cent. and raised the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.75 per cent. On 1 March 2015, PBOC further lowered the one-year Renminbi benchmark loan interest rate by 0.25 percentage points to 5.35 per cent. and lowered the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.5 per cent. On 11 May 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 5.1 per cent. and 2.25 per cent. respectively. On 24 October 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 4.35 per cent. and 1.5 per cent., respectively. Moreover, the upper limit of the interest rate floating range of the Renminbi-denominated deposits in commercial banks was removed by PBOC on 24 October 2015. In August 2019, PBOC deepened the interest rate liberalisation reform by reforming and improving the formation mechanism of LPR. It required PRC's commercial banks to mainly refer to the LPR as the benchmark in determining the rates of new bank loans. As the existing regulations are substantially liberalised, competition in the PRC's banking industry will likely intensify as the PRC's commercial banks seek to offer more attractive interest rates to customers. Further liberalisation by PBOC may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, thereby materially and adversely affecting the Group's business, financial condition and results of operations.

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

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

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

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

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

These investment restrictions limit the Group's ability to seek optimal returns on its investments. The restrictions may also expose the Group to significantly greater risk of investment loss in the event that a particular type of investment it holds suffers a decrease in value. In addition, due to the limited hedging tools available to it, the Group's ability to manage market and credit risks relating to its Renminbi-denominated assets is limited and any resulting decline in the value of its Renminbi-denominated assets may materially and adversely affect its business, financial condition and results of operations.

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

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

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

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

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

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

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

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

RISKS RELATING TO THE PRC

The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us.

A substantial part of our revenue is derived from the PRC. We rely, to a significant degree, on our domestic operations to achieve revenue growth. Domestic demand for banking services is materially affected by growth of private consumption and overall economic growth in the PRC. The global crisis in financial services and credit markets in 2008 caused a slowdown in the economic growth in many countries, including the PRC. Although the PRC's economic growth has increased compared to its level immediately after the global financial crisis, it has displayed signs of slowdown as evidenced by a decrease in the growth rate of the PRC's gross domestic product ("**GDP**") in recent years. This was caused by a combination of factors most of which are beyond our control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. In 2018, the PRC Government reported a GDP of RMB91.93 trillion, representing year-on-year growth of 6.7 per cent.; in 2019, the PRC Government reported a GDP of RMB99.09 trillion, representing year-on-year growth of 6.1 per cent.; and in 2020, the PRC Government reported a GDP of RMB101.60 trillion, representing year-on-year growth of 2.3 per cent. according to the statistics released by National Bureau of Statistics of China. Although the PRC Government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no assurance that those measures will be effective.

Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global economy. The United States and China have recently been involved in disputes over trade barriers that have created trade tensions between the two countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. There are uncertainties as to when and whether the trade disputes will be resolved and trade barriers lifted. All these would add to the uncertainties relating to the overall prospects for the global and the PRC economies this year and beyond, which may have a material adverse impact to our business, prospects, financial conditions and results of operations.

Turmoil in the financial markets could increase our cost of borrowing and impede access to or increase the cost of financing our operations and investments.

The availability of credit to entities operating within emerging markets, including us, is significantly influenced by levels of investor confidence in such markets as a whole. Any factors that may affect market confidence could affect the costs or availability of funding for entities within emerging markets. Historically, challenging market conditions in emerging markets have resulted in reduced liquidity, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing and a tightening of credit terms. In 2015, the PRC stock markets experienced significant turmoil and disruption. Throughout June and early July of 2015, the Shanghai Composite Index experienced significant declines and many PRC-listed companies were subject to trading suspensions on major stock exchanges. The PRC Government responded by cutting interest rates, suspending initial public offerings and starting investigations into market manipulation in an effort to stabilise the market. Due to its increasing financial reliance upon PRC, Hong Kong's stock markets experienced a similar fluctuation during the relevant times and the Hang Seng Index had a record-breaking slump in a single day in the recent decade. As our shares are listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, significant fluctuations in these financial markets could cause substantial adverse effects on our business operations and investments as a whole.

The PRC's economic, political and social conditions, as well as government policies, could affect our businesses.

A substantial majority of our businesses, assets and operations is located in the PRC. Accordingly, our business prospects, financial condition and results of operations are, to a significant degree, subject to the economic, political and legal developments in the PRC. The PRC's economy differs from the economies of most developed countries in many respects, including, among others, government involvement, level of development, growth rate, control of foreign exchange and allocation of resources.

In recent years, the PRC Government has pushed forward a large number of economic reform measures to introduce market forces and promote the establishment of sound corporate governance structures. Such economic reform measures may be adjusted, modified or applied differently depending on the industries and regions of the country. As a result, we may not benefit from certain of such measures.

The PRC Government has the power to implement macroeconomic controls affecting the PRC's economy. The PRC Government has implemented various measures in an effort to control the growth rate of certain industries and restrain inflation. As measured by GDP, the PRC has been one of the world's fastest growing economies in recent years. The PRC's GDP growth was 6.7 per cent., 6.1 per cent. and 2.3 per cent. in 2018, 2019 and 2020, respectively. During the recent global financial crisis and economic slowdown, the growth of the PRC's GDP slowed down. (See "*Risk Factors – Risks relating to the PRC – The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us*" above.) If the PRC's economy experiences a decrease in growth rate or a significant downturn, the unfavourable business environment and economic condition for our customers could negatively impact their ability or willingness to repay our loans and reduce their demand for our banking services. Our business, financial condition and results of operations may be materially and adversely affected.

The PRC legal system could limit the legal protections available to you.

We are organised under the laws of the PRC. The PRC legal system is based on written statutes. The PRC Government has promulgated laws and regulations dealing with such economic matters as the issuance and trading of securities, shareholder rights, foreign investment, corporate organisation and governance, commerce, taxation and trade. However, many of these laws and regulations continue to evolve, may be subject to different interpretations and may be inconsistently enforced. In addition, there is only a limited volume of published court decisions that may be cited for reference, and such cases have limited precedent value, as they are not binding on subsequent cases. These uncertainties relating to the interpretation of PRC laws and regulations can affect the legal remedies and protections that are available to you and can adversely affect the value of your investment.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are organised under the laws of the PRC, and a substantial majority of our businesses, assets and operations are located in the PRC. In addition, a substantial majority of our directors, supervisors and executive officers reside in the PRC, and substantially all of their assets are located in the PRC. As a result, it may not be possible to serve legal written process within the United States or elsewhere outside the PRC upon us or such directors, supervisors or executive officers, including with respect to matters arising under U.S. federal securities laws or applicable State securities laws.

The Bank and each relevant Branch Issuer has irrevocably submitted to the exclusive jurisdiction of the Hong Kong courts in the transaction documents relating to the Notes. Hong Kong and the PRC have entered into certain arrangements on the reciprocal recognition and enforcement of judgments in civil and commercial matters (the "**Reciprocal Arrangements**") which allow for a final court judgment (relating to the payment of money or other civil or commercial proceeding) rendered by a Hong Kong court or PRC court (as the case may be) to be recognised and enforced in the PRC or Hong Kong (as the case may be), provided certain conditions are met. However, certain matters may be excluded under the Reciprocal Arrangements and a judgment may be refused to be recognised and enforced by the requested place in certain circumstances such as for public policy reasons or where the judgment was obtained by fraud. As a general matter, a judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. The PRC signed the Hague Convention on Choice of Court Agreements (the "**Hague Convention**") in September 2017 which is intended to promote the use of exclusive choice of court agreements in international contracts and facilitate the creation of a recognition and enforcement regime for court judgements between contracting States. However, the signing of the Hague Convention does not currently have any legal effect until it is ratified by the PRC Government. The PRC has not entered into treaties or arrangements providing for the reciprocal recognition and enforcement of judgments of courts with numerous countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for Noteholders to enforce any judgments obtained from such foreign courts against us, the Issuer or any of their respective directors or senior management in the PRC.

Any future* occurrence *of natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on our business, financial condition and results of operations.

Any future occurrence of natural disasters or outbreaks of health epidemics and contagious diseases, including COVID-19, avian influenza, Severe Acute Respiratory Syndrome ("**SARS**"), Ebola virus disease ("**Ebola**"), Middle East Respiratory Syndrome corona virus ("**MERS**"), H5N1 influenza, H1N1 influenza or H7N9 influenza, may adversely affect our business, financial condition and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect our business, financial condition and results of operations. In particular, the on-going COVID-19 pandemic has resulted in many countries, including China, Japan, the United States, members of the European Union and the United Kingdom, declaring a state of emergency and imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities arising from the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. There is no assurance that the outbreak will not lead to decreased demand for services the Group provides; nor is there assurance that the outbreak's adverse impact on the PRC economy and the Group's customers will not adversely affect the level of non-performing loans. Moreover, the PRC has experienced natural disasters such as earthquakes, floods and drought in the past few years. Any future occurrence of severe natural disasters in the PRC may adversely affect its economy and in turn our business, financial condition and results of operations. There is no guarantee that any future occurrence of natural disasters or outbreak of COVID-19, avian influenza, SARS, Ebola, MERS, H5N1 influenza, H1N1 influenza, H7N9 influenza or other epidemics, or the measures taken by the PRC Government or other countries in response to a future outbreak of these epidemics, will not seriously interrupt our operations or those of our customers, which may have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact

this investment will have on the potential investor's overall investment portfolio. Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar rules.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Chapter 155 of the Laws of Hong Kong) (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include us to the extent we conduct licensed activities in Hong Kong. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Notes or the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result if the Issuer is the Hong Kong Branch. In the event that the Issuer is the Hong Kong Branch, holders of Notes may become subject to and bound by the FIRO. The implementation of FIRO remains untested and certain details relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, we are unable to assess the full impact of FIRO on the financial system generally, our counterparties, us, any of our consolidated subsidiaries, our operations and/or our financial position.

The ratings of the Notes may be downgraded or withdrawn.

Each Tranche of Notes may be rated or unrated, as specified in the applicable Pricing Supplement. The rating represents the opinion of the relevant rating agency and its assessment of the ability of the relevant Issuer to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities. The rating can be lowered or withdrawn at any time. The relevant Issuer is not obligated to inform holders of the Notes if a rating is lowered or withdrawn. A reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Modifications and waivers.

The Conditions contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolution in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions provide that the Notes, the Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or Couponholders to correct a manifest error. The Conditions also provide that the parties to the Agency Agreement may, without the consent of Noteholders or Couponholders agree to (i) any modification of any of the provisions of the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Agency Agreement, that is in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Noteholders.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Note Certificates and holders of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Note Certificates. Such Global Notes and Global Note Certificates will be deposited with a common depositary for Euroclear and Clearstream, deposited with a nominee of DTC or lodged with the CMU (each of Euroclear, Clearstream, DTC and the CMU, a "**Clearing System**").

Except in the circumstances described in the relevant Global Note or Global Note Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes and the Global Note Certificates. While the Notes are represented by one or more Global Notes or Global Note Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Note Certificates, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the relevant Clearing Systems for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and the Global Note Certificates.

Holders of beneficial interests in the Global Notes and the Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement in relation to a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or a Global Note Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued (i) upon expiry of such period of notice as may be specified in the relevant Pricing Supplement; or (ii) upon demand at any time as specified in the relevant Pricing Supplement; or (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then upon either of the following events occurs: (a) if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (b) any of the circumstances described in Condition 13 (Events of Default) of the Terms and Conditions of the Notes occurs. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

RISKS RELATING TO A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate ("**LIBOR**") and the euro interbank offered rate ("**EURIBOR**")), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited (**IBA**), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022. Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to

the Conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if any Paying Agent, Calculation Agent, the relevant Issuer or other party is no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an Adjustment Spread (as defined in the Terms and Conditions of the Notes). Adjustment Spread is (i) the spread or a formula or methodology for calculating a spread which is formally recommended in relation to the replacement of the Reference Rate (as defined in the Terms and Conditions of the Notes) with the Successor Rate by any Relevant Nominating Body (as defined in the Terms and Conditions of the Notes); (ii) if no such recommendation has been made or in the case of an Alternative Reference Rate, the spread, formula or methodology which the Independent Adviser (as defined in the Terms and Conditions of the Notes) (in consultation with the relevant Issuer) or the relevant Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or (iii) if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (acting in a reasonable manner) (as applicable) determines that no such customary market usage is recognised or acknowledged, the spread, formula or methodology which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders. There is no guarantee that any Adjustment Spread will be determined or applied. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest.

The use of any such Successor Rate or Alternative Reference Rate or, if applied, Adjustment Spread to determine the Rate of Interest may result in Notes linked to or referencing the initial inter-bank offered rate or other relevant reference rate performing differently (including paying a lower Rate of Interest) than they would do if the initial inter-bank offered rate or other relevant reference rate (as applicable) were to continue to apply in its current form.

Under these fallback arrangements, the relevant Issuer will use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Terms and Conditions of the Notes) to determine the Successor Rate or Alternative Reference Rate (as applicable) no later than five Business Days (as defined in the Terms and Conditions of the Notes) prior to the relevant Interest Determination Date (the "IA Determination Cut-off Date"), but in the event that the relevant Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or Alternative Reference Rate (as applicable), prior to the relevant IA Determination Cut-off Date, the relevant Issuer (acting in a reasonable manner) will have discretion to, amongst other things, determine the relevant Successor Rate or Alternative Reference Rate (as applicable). There can be no assurance that such Successor Rate or Alternative Reference Rate (as applicable) determined by the relevant Issuer will be set at a level which is on terms commercially acceptable to all Noteholders.

In certain circumstances, the ultimate fallback for the purposes of calculation of Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, any determinations that may need to be made by the

relevant Issuer and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by EU Benchmarks Regulation, UK Benchmarks Regulation or any other international or national reforms, in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The use of Secured Overnight Financing Rate ("SOFR") as a reference rate is subject to important limitations.

The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 6(d) of the Conditions).

In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee (the "**ARRC**") announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repo-financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such prepublication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a SOFR Benchmark Event occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SOFR and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

Notes subject to optional redemption by the relevant Issuer may have a lower market value than Notes that cannot be redeemed.

The Notes may be redeemed at the option of the relevant Issuer pursuant to Condition 9(b) (Redemption for tax reasons) and Condition 9(c) (Redemption at the option of the Issuer) of the Terms and Conditions of the Notes. An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes have features which are different from single currency issues.

The relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly paid Notes may result in an investor losing all of its investment.

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt. Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interbank Offered Rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index-Linked Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of the Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. If such gains are determined as income sourced in the PRC by the relevant PRC tax authorities, (i) the non-PRC resident enterprise Noteholders may be subject to PRC enterprise income tax at the rate of 10 per cent. of the gains derived by such non-PRC resident enterprise Noteholders and (ii) the non-PRC resident individual Noteholders may be subject to PRC individual income tax at the rate of 20 per cent. of the gains derived by such non-PRC resident individual Noteholders. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Notes may be materially and adversely affected.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although application may be made to the Hong Kong Stock Exchange or another stock exchange for the Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange or such other stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Inve**stor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

RISKS RELATING TO RENMINBI DENOMINATED NOTES

Notes denominated in Renminbi (the "**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the PBOC has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, it has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBOC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes.

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Note Certificates held with the common depositary for Clearstream and Euroclear, deposited with a custodian of DTC or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the Renminbi Notes are represented by Global Note Certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

FORMS OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

BEARER NOTES

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and/or any other relevant clearing system, and/or a sub-custodian for the CMU.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR PERMANENT GLOBAL NOTE

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent; and

(ii) receipt by the Issuing and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5:00 p.m. (Luxembourg time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5:00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or

(b) at any time, if so specified in the Pricing Supplement; or

(c) if the Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

PERMANENT GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

RIGHTS UNDER DEED OF COVENANT

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system.

TERMS AND CONDITIONS APPLICABLE TO THE NOTES

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

LEGEND CONCERNING UNITED STATES PERSONS

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

REGISTERED NOTES

Each Tranche of Registered Notes will be in the form of either:

(i) individual Note Certificates in registered form ("**Individual Note Certificates**"); or

(ii) one or more global note certificate or unrestricted global note certificates ("**Unrestricted Global Note Certificate(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Notes**") and/or one or more restricted global note certificates ("**Restricted Global Note Certificates**") in the case of Registered Notes sold to QIBs in reliance on Rule 144A ("**Restricted Notes**"),

in each case as specified in the relevant Pricing Supplement, and references in this Offering Circular to "Global Note Certificates" shall be construed as to include Unrestricted Global Note Certificates and Restricted Global Note Certificates.

Each Note to be cleared through DTC and represented by an Unrestricted Global Note Certificate or a Restricted Global Note Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and the relevant Global Note Certificate will be deposited on or about the issue date with the DTC Custodian.

Each Global Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Note Certificate", then if either of the following events occurs:

    (i) in the case of any Global Note Certificate held by or on behalf of DTC, if DTC notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Note Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC;

    (ii) Euroclear or Clearstream or the CMU or any other relevant clearing system (other than DTC) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (iii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the relevant Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in the Restricted Global Note Certificate must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Note Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Note Certificates issued in exchange for interests in the Restricted Global Note Certificate will bear the legends and be subject to the transfer restrictions set out under "*Subscription and Sale*" and "*Transfer Restrictions*".

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or

(b) any of the Notes represented by a Global Note Certificate has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note Certificate in accordance with the terms of the Global Note Certificate on the due date for payment,

then the Global Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5: 00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the holder of the Global Note Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note Certificate or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Global Note Certificate became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or any other relevant clearing system.

TERMS AND CONDITIONS APPLICABLE TO THE NOTES

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together as "**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to financial institutions regulated by Hong Kong Monetary Authority, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "income proceeds") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Forms of the Notes" and "Summary of Provisions Relating to the Notes while in Global Form" below.

1. INTRODUCTION

(a) Programme

Industrial and Commercial Bank of China Limited (the "**Bank**") has established a Global Medium Term Note Programme (the "**Programme**") for the issuance of U.S.$20,000,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) Pricing Supplement

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. Each Series of Notes may be issued by the Bank or any branch of the Bank (each a "Branch Issuer"), as specified in the relevant Pricing Supplement.

(c) Agency Agreement

The Notes are the subject of a fiscal, issuing and paying agency agreement dated 27 May 2021, as amended and/or supplemented from time to time (the "**Agency Agreement**") between the Bank (on behalf of itself and each Branch Issuer) and The Hongkong and Shanghai Banking Corporation Limited as issuing and paying agent (the "**Issuing and Paying Agent**", which expression includes any successor issuing and paying agent appointed from time to time in connection with the Notes), as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), HSBC Bank USA, National Association as U.S. issuing and paying agent (the "**U.S. Issuing and Paying Agent**", which expression includes any successor U.S. issuing and paying agent appointed from time to time in connection with the Notes), as U.S. transfer agent (the "**U.S. Transfer Agent**", which expression includes any successor U.S. transfer agent appointed from time to time in connection with the Notes) and U.S. registrar (the "**U.S. Registrar**", which expression includes any successor U.S. registrar appointed from time to time in connection with the Notes), and The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the U.S. Issuing and Paying Agent and the CMU Lodging and Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the U.S. Transfer Agent and the U.S. Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them. For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent and all such reference shall be construed accordingly.

(d) Deed of Covenant

The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 27 May 2021, as amended and/or supplemented from time to time (the "**Deed of Covenant**") entered into by the Bank (on behalf of itself and each Branch Issuer).

(e) The Notes

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(f) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. INTERPRETATION

(a) Definitions

In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Adjustment Spread**" means (a) a spread (which may be positive or negative or zero) or (b) a formula or methodology for calculating a spread, in each case required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines that no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (iii) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders and Couponholders;

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate;

"**Benchmark Event**" means, in respect of a Reference Rate for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark):

(i) such Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(ii) a public statement by the administrator of such Reference Rate that it has ceased or will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(iii) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;

(iv) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions or adverse consequences;

(v) a public statement by the supervisor of the administrator of such Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or

(vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate;

provided that in the case of sub-paragraphs (ii), (iii) and (iv) of this definition, the Benchmark Event shall occur on the date of the cessation of publication of such Reference Rate, the discontinuation of such Reference Rate, or the prohibition of use of such Reference Rate, as the case may be, and not the date of the relevant public statement;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(ii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(iii) for the purposes of Notes denominated in Renminbi only, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means The Hongkong and Shanghai Banking Corporation Limited or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**CMU**" means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(i) if "Actual/Actual (**ICMA**)" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year;

(ii) if "Actual/Actual (ISDA)" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "30/360" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**DTC**" means The Depository Trust Company and its successors;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fitch**" means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalae, S.A. and Hearst Corporation, and its successors;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (Form, Denomination, Title and Transfer – Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (Form, Denomination, Title and Transfer – Title to Registered Notes);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) unless otherwise specified in the relevant Pricing Supplement;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issuer**" means the Bank or the Branch Issuer, as specified in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Subsidiary**" means a Subsidiary of the Bank whose total assets or total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which these audited financial statements relate, account for 5 per cent. or more of the consolidated assets or consolidated revenue of the Bank as at such date or for such period. If

a Material Subsidiary transfers all of its assets and business to another Subsidiary of the Bank, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer.

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc. and its affiliates and successors;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition3(b) (Form, Denomination, Title and Transfer – Title to Bearer Notes) and, in the case of Registered Notes, has the meaning given in Condition3(d) (Form, Denomination, Title and Transfer – Title to Registered Notes);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" includes any individual, company, state owned enterprise, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state or other entity (in each case whether or not being a separate legal entity);

"**PRC**" means the People's Republic of China, which for the purposes of these Conditions shall not include Hong Kong, the Macau Special Administrative Region or Taiwan);

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

"**Public External Indebtedness**" means any indebtedness of the Issuer (or, for the purposes of Condition 13(c) (Cross-default), any of the Bank's Subsidiaries), or any guarantee or indemnity by the Issuer of indebtedness, for money borrowed which, (i) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is issued outside the PRC and is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placements); and (ii) has an original maturity of more than 365 days;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Rating Agencies**" means (a) S&P, (b) Moody's or (c) Fitch, provided that if S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, a nationally recognised securities rating agency or agencies, as the case may be, selected by the Issuer;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement; "**Reference Rate**" has the meaning given in the relevant Pricing Supplement;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Issuing and Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

(ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

(iii) to change the currency in which amounts due in respect of the Notes are payable;

(iv) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or

(v) to amend this definition;

"**S&P**" means S&P Global Ratings and its affiliates and successors;

"**Specified Clearing System**" means the clearing system specified in the relevant Pricing Supplement in respect of a Tranche of Notes for which no Note Certificates are to be issued;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "first Person") at any particular time, any other Person whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Tax Jurisdiction**" means (a) the PRC and (b) if the Issuer is a branch of the Bank, the relevant tax jurisdiction of the Issuer (to the extent that such tax jurisdiction is not the PRC) specified in the applicable Pricing Supplement, or in each case any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement;

(b) Interpretation

In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (Taxation), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (Interpretation – Definitions) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. FORM, DENOMINATION, TITLE AND TRANSFER

(a) Bearer Notes

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) Title to Bearer Notes

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) Registered Notes

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) Title to Registered Notes

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) Ownership

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) Transfers of Registered Notes

Subject to paragraphs (i) (Closed periods) and (j) (Regulations concerning transfers and registration) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (Transfers of Registered Notes) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. STATUS

The Notes constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. FIXED RATE NOTE PROVISIONS

(a) Application

This Condition 5 (Fixed Rate Note Provisions) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6. FLOATING RATE NOTE AND INDEX-LINKED INTEREST NOTE PROVISIONS

(a) Application

This Condition 6 (Floating Rate Note and Index-Linked Interest Note Provisions) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Screen Rate Determination for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark)

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date for loans in the Specified Currency to major banks in the Principal Financial Centre of the Specified Currency for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) Screen Rate Determination for Notes where the Reference Rate is specified as being SOFR Benchmark

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest(s) is/are to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be equal to the sum of the relevant SOFR Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded SOFR Average or SOFR Index Average (as specified in the relevant Pricing Supplement), as follows (subject in each case to Condition 6(g) (Benchmark Replacement (SOFR Benchmark))):

(i) If Simple SOFR Average ("**Simple SOFR Average**") is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR reference rates for each day during such Interest Period, as calculated by the Calculation Agent, and where, if applicable and as specified in the relevant Pricing Supplement, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the relevant Interest Period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of that Interest Period.

(ii) If Compounded SOFR Average ("**Compounded SOFR Average**") is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR reference rates for each day during the relevant Interest Period (where SOFR Observation Lag, SOFR Payment Delay or SOFR Lockout is specified in the relevant Pricing Supplement to determine Compounded SOFR Average) or SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the relevant Pricing Supplement to determine Compounded SOFR Average).

Compounded SOFR Average shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the relevant Pricing Supplement:

1. SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards) and where:

"$\mathbf{SOFR_{i\text{-}xUSBD}}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_{i\text{-}xUSBD}$ applies.

2. SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of the relevant Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the last day of such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

3. SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"**Interest Payment Delay Days**" means the number of Business Days as specified in the relevant Pricing Supplement;

"**Interest Payment Date**" shall be the date falling the number of Interest Payment Delay Days following each Specified Interest Period Date (as specified in the relevant Pricing Supplement); provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or the relevant date for redemption, as applicable;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

For the purposes of calculating Compounded SOFR Average with respect to the final Interest Period where SOFR Payment Delay is specified in the relevant Pricing Supplement, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant date for redemption, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

4. SOFR Lockout:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards) and where:

"$SOFR_i$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i", except that the SOFR for any U.S. Government Securities Business Day 'i" in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of such Interest Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period; and

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_i$ applies.

The following defined terms shall have the meanings set out below for purpose of this Condition 6(d) and Condition 6(g) (Benchmark Replacement (SOFR Benchmark)):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(g) (Benchmark Replacement (SOFR Benchmark)) shall apply;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following the relevant U.S. Government Securities Business Day.

(iii) If SOFR Index Average ("**SOFR Index Average**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the value of the SOFR reference rates for each day during the relevant Interest Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards) and where:

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time, *provided that* if such SOFR Index value is not available and:

(i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "**SOFR Index Average**" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded SOFR Average formula described above in Condition 6(d)(ii)(2) (*SOFR Observation Shift*); or

(ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(g) (Benchmark Replacement (SOFR Benchmark)) shall apply;

"**SOFR Index$_{End}$**" means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement prior to the last day of such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement prior to the first day of the relevant Interest Period;

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day; and

"**d_c**" means the number of calendar days from (and including) the day in relation to which SOFR Index$_{Start}$ is determined to (but excluding) the day in relation to which SOFR Index$_{End}$ is determined (being the number of calendar days in the applicable reference period).

The following defined terms shall have the meanings set out below for purpose of this Condition 6(d):

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Rate Cut-Off Date**" has the meaning given in the relevant Pricing Supplement; and

"**U.S. Government Securities Business Day**" or "**USBD**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(e) ISDA Determination

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on (x) the London inter-bank offered rate (LIBOR), (y) the Eurozone inter-bank offered rate (EURIBOR) or (z) the Hong Kong inter-bank offered rate (HIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(f) Benchmark Replacement for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark)

In addition, notwithstanding the provisions above in Condition 6 (Floating Rate Note and Index-Linked Interest Note Provisions), if the Issuer determines that a Benchmark Event has

occurred in relation to the relevant Reference Rate specified in the relevant Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(f)); provided, however, that if sub-paragraph (ii) applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin, Maximum Rate of Interest or Minimum Rate of Interest that applied to such preceding Interest Period for the Margin, Maximum Rate of Interest or Minimum Rate of Interest that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph;

(iv) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(f);

(v) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, business days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 6(f). Noteholder or Couponholder

consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Issuing and Paying Agent (if required); and

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Issuing and Paying Agent, Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

(g) Benchmark Replacement (SOFR Benchmark)

The following provisions shall apply if Benchmark Event (SOFR) is specified as applicable in the relevant Pricing Supplement:

(i) *Benchmark Replacement*

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 6(g). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Agents (if required). Further, none of the Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6(g), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

The following defined terms shall have the meanings set out below for purpose of Conditions 6(d) (Screen Rate Determination for Notes where the Reference Rate is specified as being SOFR Benchmark) and this Condition 6(g):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the relevant Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(1) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(2) the Benchmark Replacement Adjustment;

(ii) the sum of:

(1) the ISDA Fallback Rate; and

(2) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(1) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Notes at such time; and

(2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraph (i) or (ii) of the definition of "Benchmark Event", the later of:

(1) the date of the public statement or publication of information referenced therein; and

(2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded SOFR Average is specified in the relevant Pricing Supplement) or SOFR Index Determination Time (where SOFR Index Average is specified in the relevant Pricing Supplement); or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(h) Index-Linked Interest

If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(i) Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(j) Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(k) Calculation of other amounts

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(l) Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 19. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(m) Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7. ZERO COUPON NOTE PROVISIONS

(a) Application

This Condition 7 (Zero Coupon Note Provisions) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8. DUAL CURRENCY NOTE PROVISIONS

(a) Application

This Condition 8 (Dual Currency Note Provisions) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Rate of Interest

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

9. REDEMPTION AND PURCHASE

(a) Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (Payments – Bearer Notes) and Condition 11 (Payments – Registered Notes).

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if neither the Floating Rate Note Provisions nor the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Issuing and Paying Agent (1) a certificate signed by any director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) Redemption at the option of the Issuer

If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (Redemption at the option of the Issuer), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Issuing and Paying Agent approves and in such manner as the Issuing and Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (Redemption at the option of the Issuer) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) Redemption at the option of Noteholders

If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 32 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (Scheduled Redemption) to (e) (Redemption at the option of Noteholders) above.

(g) Early redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) Purchase

The Issuer or any of the Bank's Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17 (Meetings of Noteholders; *Modification and Waiver*).

(i) Cancellation

All Notes so redeemed or purchased by the Issuer or any of the Bank's Subsidiaries and any unmatured Coupons attached to or surrendered with them may be reissued, resold or surrendered to the Issuing and Paying Agent for cancellation.

10. PAYMENTS – BEARER NOTES

This Condition 10 is only applicable to Bearer Notes.

(a) Principal

In relation to Bearer Notes not held in the CMU, payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the relevant Principal Financial Centre.

(b) Interest

In relation to Bearer Notes not held in the CMU, payments of interest shall, subject to paragraph (h) (Payments other than in respect of matured Coupons) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (Principal) above.

(c) Payments for Bearer Notes held in the CMU

In relation to Bearer Notes held in the CMU, payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

Payments of principal and interest in respect of Bearer Notes represented by a Global Note held through CMU will be made to the person(s) for whose account(s) interests in the relevant Global Note are credited as being held within the CMU in accordance with the CMU Rules at the relevant time.

(d) Payments in New York City

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(e) Payments subject to fiscal laws

All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) Deductions for unmatured Coupons

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "Relevant Coupons") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (Principal) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(g) Unmatured Coupons void

If the relevant Pricing Supplement specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (Redemption for tax reasons), Condition 9(c) (Redemption at the option of the Issuer), Condition 9(e) (Redemption at the option of Noteholders) or Condition 13 (Events of Default), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) Payments on business days

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (d) (Payments in New York City) above).

(j) Partial payments

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Issuing and Paying Agent for a further Coupon Sheet including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (Prescription). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. PAYMENTS – REGISTERED NOTES

This Condition 11 is only applicable to Registered Notes.

(a) Principal

In relation to Registered Notes not held in the CMU, payments of principal shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Issuing and Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) Interest

In relation to Registered notes not held in the CMU, payments of interest shall (i) in the case of a currency other than Renminbi, be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Issuing and Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) Payments for Registered Notes held in the CMU

In relation to Registered Notes held in the CMU, payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

*Each payment made in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant Clearing System) on the Clearing System Business Day before the due date for such payment (the Record Date) where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.*

Payments of principal and interest in respect of Registered Notes represented by a Global Note Certificate held through CMU will be made to the person(s) for whose account(s) interests in the relevant Global Note Certificate are credited as being held within the CMU in accordance with the CMU Rules at the relevant time.

(d) Payments subject to fiscal laws

All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(e) Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 (Payments – Registered Notes) arriving after the due date for payment or being lost in the mail.

(f) Partial payments

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(g) Record date

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. TAXATION

(a) Gross up

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) held by a Holder who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority.

(b) Taxing jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Tax Jurisdiction, respectively, references in these Conditions to the Tax Jurisdiction shall be construed as references to the Tax Jurisdiction and/or such other jurisdiction.

Notwithstanding any other provision in these Conditions, the Issuer and the Paying Agent shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter- governmental agreement entered into with the United States to facilitate the implementation of these provisions, implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (such withholding or deduction, "**FATCA Withholding**"). None of the Issuer, the Paying Agent, nor any other person will be required to pay additional amounts or otherwise indemnify a holder for any FATCA Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA Withholding.

13. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs and is continuing:

(a) Non-payment

Default is made in the payment on the due date of principal of or any interest on any of the Notes and such failure continues for a period of 30 days; or

(b) Breach of other obligations

The Issuer does not perform or comply with any one or more of its other obligations under or in respect of the Notes which default remains unremedied for a period of 45 days after written notice of such default shall have been delivered to the Issuer (with a copy to the Issuing and Paying Agent) by holders of an aggregate principal amount of not less than 10 per cent. of the outstanding Notes; or

(c) Cross-default

(i) any other present or future Public External Indebtedness of the Issuer or any of the Bank's Subsidiaries becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof; or

(ii) any such Public External Indebtedness is not paid when due or, as the case may be, within any applicable grace period,

provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 13(c) have occurred equals or exceeds U.S.$30,000,000 or its equivalent; or

(d) Insolvency

The Issuer or any of the Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of the Material Subsidiaries; or

(e) Winding-up

An order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of the Material Subsidiaries, or the Issuer or any of the Material Subsidiaries, ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of the Material Subsidiaries; or

(f) Illegality

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Coupons or the Deed of Covenant and the Issuer fails to obtain the necessary waiver or approval or complete such other necessary remedial action within 60 days such that the Issuer may lawfully perform such obligations; or

(g) Analogous events

Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 13(d) (Insolvency) to 13(f) (Illegality) (both inclusive),

then any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issuing and Paying Agent, declare any Notes held by it to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality. Notice of any such declaration shall promptly be given to the Noteholders.

14. PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Issuing and Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor issuing and paying agent or registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

(a) the Issuer shall at all times maintain an issuing and paying agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than 67 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of not less than 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification

Notwithstanding Condition 17(a) (Meetings of Noteholders) above, the Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may, without the consent of the Noteholders or the Couponholders, agree to (i) any modification of any provision of the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Agency Agreement that in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and if applicable, the timing for notification to the NDRC) so as to form a single series with the Notes. However, such further securities may only be issued if (i) the Rating Agency which has provided credit ratings in respect of the Notes has been informed of such issue and (ii) such issue will not result in any adverse change in the then credit rating of the Notes. In respect of further notes offered to United States persons, if such further notes are not fungible with the original Notes for United States federal income tax purposes, the further Notes will have a CUSIP, ISIN or other identifying number that is different from that of the original Notes.

19. NOTICES

(a) Bearer Notes

Notices required pursuant to the Conditions to be given to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in Hong Kong or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) Registered Notes

Notices required pursuant to the Conditions to be given to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of Euroclear, Clearstream, DTC, CMU or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system, and such notice shall be deemed to have been given to the Noteholders on the date of delivery to that clearing system.

20. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issuing and Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. GOVERNING LAW AND JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with, English law.

(b) Jurisdiction

(i) The courts of Hong Kong are to have exclusive jurisdiction to settle any dispute, claims, difference or controversy that may arise out of, in relation to or in connection with the Notes (and the Conditions), including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") and accordingly any legal action or proceedings arising out of or in connection with the Notes (and the Conditions) and any non-contractual obligations arising out of or in connection with them ("**Proceedings**") may be brought in such courts.

(ii) The Issuer irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum to settle any Dispute.

(iii) The Issuer agrees to receive service of process in Hong Kong in relation to the Notes at the Bank's principal place of business in Hong Kong, at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong. If for any reason the Bank no longer maintains a principal place of business in Hong Kong, the Issuer shall as soon as reasonably practicable appoint a new agent for service of process in Hong Kong and deliver to the Agents a copy of the new agent's acceptance of that appointment. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. Nothing in this Condition, the Agency Agreement or the Deed of Covenant shall affect the right to serve process in any other manner permitted by law.

(c) Waiver of immunity

(i) To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

(ii) The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

FORMS OF PRICING SUPPLEMENT

[The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.]

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

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

The Offering Circular dated [*date*] (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels."]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.]

Pricing Supplement dated [●]

[Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Issue of [Aggregate Nominal Amount of Tranche]
[Title of Notes] under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [*date*] [and the supplemental Offering Circular dated [*date*]].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the pricing supplement of the Notes and must be read in conjunction with the Offering Circular dated [*date*] [and the supplemental Offering Circular dated [*date*]], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1.	(i)	Issuer:	[Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]
2.	(i)	[Series Number:]	[●]
	(ii)	[Tranche Number:	[●]
		(*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*).]	
3.		Specified Currency or Currencies:	[●]
4.		Aggregate Nominal Amount:	[●]
	[(i)]	Series:	[●]
	[(ii)	Tranche:	[●]]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	(ii)	Net Proceeds:	[●] [(Required only for listed issues)]
6.	(i)	Specified Denominations[1] [2]:	[●]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.		Maturity Date:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][3]

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1 Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

2 If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of €1,000 in excess there of up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000. In relation to any issue of Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Notes", such Notes may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and multiples thereof.

3 Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

		[*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available*.]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*Specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*Specify*)]
11.	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	Date of regulatory approval for Notes obtained:	[[●]/None required]
14.	Listing and trading:	[Hong Kong/*specify other*/None] (*For Notes to be listed on the HKSE, insert the expected effective listing date of the Notes*)
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions:**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi annually/quarterly/monthly/other (*specify*)] in arrear][4]

[4] Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [●]."

	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with[*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[5]
	(iv)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/365 (Fixed)[6]/*specific other*]
	(v)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17.	**Floating Rate Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●] [Each period beginning on (and including) [the Interest Commencement Date/[●]] or any Specified Interest Period Date and ending on (but excluding) the next Specified Interest Period Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below, and "Specified Interest Period Date" means [[●], [●], [●] and [●]] in each year up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below] (*Only applicable in the case of SOFR Payment Delay where Interest Period Date is required*)
	(ii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	(iii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable*") [The definition of "Interest Payment Date" in Condition 6(d)(ii) applies.] (*Only applicable in the case of SOFR Payment Delay*)
	(iv)	[First Interest Payment Date:]	[●]

[5] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

[6] Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/Screen Rate Determination (SOFR)/ISDA Determination/other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[[*Name*] shall be the Calculation Agent]
(ix)	Screen Rate Determination:	
	• Reference Rate:	[*For example, LIBOR or EURIBOR*]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	*[For example, Reuters LIBOR 01/EURIBOR 01]*
	• Relevant Time:	*[For example, 11.00 a.m. London time/Brussels time]*
	• Relevant Financial Centre:	[*For example, London/Euro-zone (where Euro-zone means the region comprising the countries whose lawful currency is the euro*]
(x)	Screen Rate Determination (SOFR):	
	• Reference Rate:	SOFR Benchmark – [Simple SOFR Average/Compounded SOFR Average/SOFR Index Average]
	• Compounded SOFR Average Method:	[Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout – *used for Compounded SOFR Average only*]
	• Interest Determination Date(s):	[The [●] U.S. Government Securities Business Day prior to the last day of each Interest Period – *only applicable in the case of Simple SOFR Average/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout/SOFR Index Average*] [The Specified Interest Period Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date – *only applicable in the case of SOFR Payment Delay*]
	• Lookback Days:	[[●] U.S. Government Securities Business Days – *used for SOFR Observation Lag only*]/[Not Applicable]
	• SOFR Observation Shift Days:	[[●] U.S. Government Securities Business Days – *used for the SOFR Observation Shift or SOFR Index Average only*]/[Not Applicable]

		• SOFR Rate Cut-Off Date:	[The date falling [●] Business Days prior to the end of each Interest Period, the Maturity Date or the date fixed for redemption, as applicable – *used for only Simple SOFR Average (if applicable), Compounded SOFR Average – SOFR Payment Delay or SOFR Lockout only*]/[Not Applicable]
		• Interest Payment Delay Days:	[●] Business Days – *used for SOFR Payment Delay only*]/[Not Applicable]
		• SOFR $\text{Index}_{\text{Start}}$:	[Not Applicable]/[[●] U.S. Government Securities Business Days – *used for SOFR Index Average only*]
		• SOFR $\text{Index}_{\text{End}}$:	[Not Applicable]/[[●] U.S. Government Securities Business Days – *used for SOFR Index Average only*]
	(xi)	ISDA Determination:	
		• Floating Rate Option:	[●]
		• Designated Maturity:	[●]
		• Reset Date:	[●]
	(xii)	Margin(s):	[+/-][●] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
	(xv)	Day Count Fraction:	[●]
	(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Event/Benchmark Event (SOFR)/specify if fallback provisions different from those set out in the Conditions]
18.	**Zero Coupon Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [9(g)*]]
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Index/Formula/other variable:	[*give or annex details*]
	(ii)	Party responsible for calculating the rate(s) of Interest and/or and Interest Amount(s):	[●] shall be the Calculation Agent

	(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv)	Interest Determination Date(s):	[●]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
	(vi)	Interest or calculation period(s):	[●]
	(vii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
	(viii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
	(ix)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(x)	Additional Business Centre(s):	[●]
	(xi)	Minimum Rate/Amount of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate/Amount of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]
20.	**Dual Currency Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii)	Party, if any, responsible for calculating the rate(s) of Interest and/or and Interest Amount(s) (if not [●] as Calculation Agent):	[●]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]

	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]
22.	**Put Option:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Notice period:	[●]
23.	**Final Redemption Amount of each Note:**		[●] per Calculation Amount
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/variable:	[*give or annex details*]
	(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[●]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv)	Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable:	[●]

(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
(vi)	[Payment Date:]	[●]
(vii)	Minimum Final Redemption Amount:	[●] per Calculation Amount
(viii)	Maximum Final Redemption Amount:	[●] per Calculation Amount
24.	Early Redemption Amount:	[Not Applicable]
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	(*If each of the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice][7] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Regulation S Global Note Certificate(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]] [Rule 144A Global Note Certificate(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]] [Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]

[7] If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including €199,000", the Temporary/Permanent Global Note shall not be exchangeable on [●] days' notice.

26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] (*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 17(vi) and 19(x) relate*)
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	[Not Applicable/*give details*]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
31.	Consolidation provisions:	[Not Applicable/The provisions in Condition 18 (*Further Issues*) [annexed to this Pricing Supplement] apply]
32.	Relevant Tax Jurisdiction:	[PRC/*give details if Branch Issuer*]
33.	Any applicable currency disruption/fallback provisions:	[Not Applicable/*give details*]
34.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

35.	(i)	If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give names*]
36.	If non-syndicated, name and address of Dealer:		[Not Applicable/*give name and address*]
37.	Total commission and concession:		[●] per cent. of the Aggregate Nominal Amount
38.	Private banking rebate/commission:		[Applicable/Not Applicable]
39.	U.S. Selling Restrictions:		Reg. S category 2[; Rule 144A] (*In the case of Bearer Notes*) – [TEFRA C/TEFRA D/TEFRA not applicable] (*In the case of Registered Notes*) – TEFRA Not Applicable
40.	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a KID will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

41.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a KID will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
42.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

43.	ISIN Code	[●]
44.	Common Code:	[●]
45.	CMU Instrument Number:	[●]
46.	CUSIP:	[●]
47.	Legal Entity Identifier:	The Legal Entity Identifier of the [Bank/Issuer] is [5493002ERZU2K9PZDL40]/[●]
48.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
49.	Delivery:	Delivery [against/free of] payment
50.	Additional Paying Agent(s) (if any):	[●]

GENERAL

51.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not Applicable/U.S.$[●]]
52.	[Ratings:	The Notes to be issued are expected to be rated: [S&P: [●]]; Moody's: [●]]; [and] [Fitch: [●]] (each a "**Rating Agency**"). If any Rating Agency shall not make a rating of the Notes publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.] *[A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.]* (*The above disclosure should reflect the rating allocated to the Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[**STABILISATION**

In connection with this issue, [*insert name of Stabilisation Manager*] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

[**LISTING APPLICATION**

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]:

By: _____
Duly authorised

Appendix

[*insert additional disclosure with respect to the relevant Issuer which is a Branch Issuer (if required)*]

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**" when used in this section) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Bank and the relevant Issuer believe to be reliable, but none of the relevant Issuer, the Bank or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the relevant Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the relevant Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the United States Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the relevant Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under *"Transfer Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the relevant Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The relevant Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Global Note Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Note Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Note Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Note Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Note Certificate, the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in a Global Note Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Note Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Note Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The relevant Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The relevant Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Paying Agents, the Registrars or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

TRANSFERS OF NOTES REPRESENTED BY GLOBAL NOTE CERTIFICATES

Transfers of any interests in Notes represented by a Global Note Certificate within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Note Certificate accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Note Certificate accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrars, the Paying Agents and any custodian ("**Custodian**") with whom the relevant Global Note Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Global Note Certificates will be effected through the Registrars, the Paying Agents and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC Participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Note Certificates among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the relevant Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the relevant Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be that depositary, common depositary or sub-custodian, as the case may be.

In relation to any Tranche of Notes represented by a Global Note Certificate, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Note Certificate is for the time being registered in the Register which (a) in the case of a Restricted Global Note Certificate held by or on behalf of DTC will be Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and (b) in the case of any Unrestricted Global Note Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be such depositary or common depositary, or a nominee for such depositary or common depositary, or such sub-custodian, as the case may be.

Each of the persons shown in the records of DTC, Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to DTC, Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Note Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Note Certificate.

If a Global Note or a Global Note Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held with the CMU in accordance with the CMU Rules at the relevant time shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note or Global Note Certificate and the relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held with the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Note Certificate must look solely to the CMU for his share of each payment so made by the relevant Issuer in respect of such Global Note or Global Note Certificate.

CONDITIONS APPLICABLE TO GLOBAL NOTES

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is an overview of certain of those provisions:

Payment

All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day

In the case of a Global Note, the relevant place of presentation shall be disregarded in the definition of "Payment Business Day" set out in Condition 2(a) *(Interpretation – Definitions)* and Condition 10(h) *(Payments – Bearer Notes – Payments on business days)*.

Payment Record Date

Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" means, in the case of DTC and Euroclear and Clearstream, Monday to Friday inclusive except 25 December and 1 January or in the case of the CMU, a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Exercise of put option

In order to exercise the option contained in Condition 9(e) *(Redemption at the option of Noteholders),* the bearer of the Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put option notice, give written notice of such exercise to the Issuing and Paying Agent or (in respect of Notes lodged with the CMU, the CMU Lodging and Paying Agent) specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 9(c) *(Redemption at the option of the Issuer)* in relation to some only of the Notes where such Notes are held with DTC, Euroclear and/or Clearstream or CMU, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of DTC, Euroclear and Clearstream (to be reflected in the records of DTC, Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion) or, as the case may be, CMU.

Notices

Notwithstanding Condition 19 *(Notices)*, while all the Notes are represented by a Temporary Global Note (or by that Temporary Global Note and a Permanent Global Note), a Permanent Global Note (or by that Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Temporary Global Note is (or the Temporary Global Note and the Permanent Global Note are), or the Permanent Global Note is (or the Permanent Global Note and the Temporary Global Note are), or the Global Note Certificate is, (i) registered in the name of DTC's nominee or deposited with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system (other than the CMU, in respect of which see (ii) below), notices to Noteholders may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 *(Notices)* on the date of delivery to DTC and/or Euroclear and/or Clearstream and/or any other relevant clearing system or (ii) deposited with a sub-custodian for the CMU, notices to Noteholders may be given by delivery of the relevant notice to the CMU and any such notice shall be deemed to have been given to Noteholders in accordance with Condition 19 (*Notices*) on the day on which such notice is delivered to the CMU.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's capitalisation as at 31 December 2020. Please read this table in conjunction with the Group's audited annual consolidated financial statements and the accompanying notes thereto, which have been incorporated by reference in this Offering Circular as described under "*Documents Incorporated by Reference*".

	As at 31 December 2020
	(RMB millions)
Debt[(1)]	
Debt securities issued[(2)]	798,127
Equity	
Share capital	356,407
Other equity instruments	225,819
Reserves	800,718
Retained profits	1,510,558
Non-controlling interest	16,013
Total equity	2,909,515
Total capitalisation[(3)]	3,707,642

Notes:

(1) As at 31 December 2020, we had deposits from customers, amounts due to banks and other financial institutions, certificates of deposits issued, balances under repurchase agreements, credit commitments (such as approved loans, undrawn credit card limits, letters of credit, financial guarantees and bank acceptances) and other commitments and contingencies, including outstanding litigation, that arise from its ordinary course of business.

(2) Since 31 December 2020, we have issued additional debt securities in the ordinary course of business. See "*Recent Developments*".

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

Save as disclosed in this Offering Circular, there has not been any material change in the capitalisation of the Group since 31 December 2020.

DESCRIPTION OF THE BANK

OVERVIEW

We rank first place in the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits for the past three years. In 2020, we ranked first place among the "Top 1000 World Banks" by *The Banker*, ranked first place among the "Global 2000" by Forbes and ranked first in the list of commercial banks of the "Global 500" by Fortune for the eighth year in a row. We also ranked first among the "Top 500 Banking Brands" by Brand Finance for the fifth consecutive year.

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

We have developed into the leading listed bank in the world, possessing a wide customer base, a diversified business structure, strong innovation capabilities and market competitiveness. We have established presence in six continents, with a global network covering 49 countries and regions and 426 overseas institutions as at 31 December 2020. In addition, through our equity participation in Standard Bank Group Limited, we indirectly cover 20 countries in Africa. We provide comprehensive financial products and services to approximately 8.50 million corporate customers and over 680 million personal customers via our distribution channels domestically, internationally and as well as through our E-banking network comprising a range of internet and telephone banking services and self-service banking centres, forming a diversified and internationalised operating structure focusing on commercial banking business and maintaining a leading position in the domestic market in the commercial banking sector. As one of the leading commercial banks in terms of global presence and asset size, we implemented the "Belt and Road Initiative". We have carried out a number of projects and maintained 124 institutions in 21 countries and regions along the "Belt and Road" as at 31 December 2020.

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

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

- the first place among the "Global 2000" for the eighth consecutive year in 2020 by *Forbes*;
- the first place among the "Top 1000 World Banks" for the eighth consecutive year in 2020 by *The Banker*;
- the first place in the list of commercial banks of the Global 500 for the eighth consecutive year in 2020 by *Fortune*;
- the first place among the Top 500 Banking Brands for the fifth consecutive year in 2020 by *Brand Finance;*
- the first place among the "Corporate Brand Value List" for the fifth consecutive year in 2020 by *China Council for Brand Development*;
- "The Hong Kong Corporate Governance Excellence Awards" in 2020 by *The Chamber of Hong Kong Listed Companies;*
- "Best Bank in China", "Best Corporate Bank in China" and "Most Creative Bank in China" in 2020 by *Global Finance*;
- "Best Mega Retail Bank in China", "Best API and Open Banking Implementation" and "Best Asian International Cash Management Bank in Asia Pacific" in 2020 by *The Asian Banker*;

- "Best Bank, China", "Best Bond Advisor in China" and "Best Insurance Custodian Bank in China" in 2020 by *The Asset*;

- "Best Retail Bank for Online Banking 2020", "Overall Best Gold Bank" and "Best Bank for Domestic Debt Capital Markets 2020" in 2020 by *Asiamoney*.

- Effectiveness Award for Supporting China's Winning the "Three Critical Battles", Effectiveness Award for Practicing the Belt and Road Initiative and Effectiveness Award for Best Inclusive Finance in 2020 by *China Banking Association*.

We strive to duly implement the organic unification of economic and social responsibilities, gaining wide social recognition for supporting economic and social development, protecting environment and resources, and participating in community services. In recent years, we have won awards from various institutions including "Best Social Responsibility Financial Institution Award" and "Best Social Contribution Award" by China Banking Association and "Best Chinese State-owned Listed Companies on Corporate Social Responsibilities Award" by *Southern Weekly*.

For the years ended 31 December 2018, 2019 and 2020, we achieved profit for the year of RMB298,723 million, RMB313,361 million and RMB317,685 million, respectively. As at 31 December 2018, 2019 and 2020, we had total assets of RMB27,699,540 million, RMB30,109,436 million and RMB33,345,058 million, respectively, and our net loans and advances to customers totalled RMB15,046,132 million, RMB16,326,552 million and RMB18,136,328 million, respectively.

OUR COMPETITIVE STRENGTHS

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

We have set our vision to become "a world-class and modern financial enterprise with global competitiveness by adhering to the principles of 'delivering excellence, sticking to our founding mission, customers' favourite, leading in innovation, security and prudence, and people-oriented'". We believe that "Industrial and Commercial Bank of China" has become one of the PRC's best-known brand names in the financial services industry, and our international influence is also expanding rapidly.

We rank first in the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits, and we benefit from the scale of our operations. Based on statistics of the PBOC, as at 31 December 2020, our corporate customers increased by 545,000 over the end of the previous year to 8,643,000. We ranked first in the PRC banking industry in terms of the balance of our corporate loans, with the growth exceeding RMB1 trillion for the first time. We also ranked first in the PRC banking industry in terms of both the balance and the growth of our corporate deposits. We are also one of the industry leaders in terms of the size of personal loans. As at 31 December 2020, the balance of our corporate loans reached RMB11,102,733 million, representing an increase of RMB1,146,912 million or 11.5 per cent. as compared to the end of 2019. As at 31 December 2020, the balance of our corporate deposits reached RMB12,944,860 million, representing an increase of RMB916,598 million or 7.6 per cent. as compared to the end of 2019. As at 31 December 2020, we had RMB33,345,058 million in total assets.

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

With respect to our traditional banking business, we have further strengthened our competitive advantages and leading position, and our corporate loans and deposits and individual loans and deposits businesses have been growing steadily in recent years. As at 31 December 2020, Renminbi deposits were RMB23.5 trillion, representing a year-on-year increase of 9.6 per cent. With respect to our emerging businesses and intermediary businesses, we have maintained a high level of growth and development in these areas and further expanded our competitive advantages. In 2020, we enhanced the quality and efficiency of inclusive finance, and our inclusive loans increased by more than 58.0 per cent. from 31 December 2019. Inclusive finance was pushed to increase volume, expand coverage, enhance quality and cut cost. As at the end of 2020, the NPL ratio of our inclusive loans was significantly lower than the average level of our loans, and the risk was stable and controllable.

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

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

We have transformed our business and optimised our business structure to create a business model that we believe balances risks and benefits and has strong sustainability. We have optimised our asset and liability structure. With respect to assets, our returns on loans have stayed strong, while maintaining a low proportion of high-risk assets. As at 31 December 2020, our risk-weighted assets to total assets ratio was 60.35 per cent. and our loan-to-deposit ratio was 72.8 per cent. At the same time, in view of the state of the PRC economy and from the state macro-control policy, we have maintained reasonable and balanced growth of our total amount of credit, and, on this basis, we have shifted the focus of our work to the adjustment and optimisation of our credit structure and the cultivation of new growth areas. We have optimised our corporate loan product mix in terms of industry allocation, customer allocation and geographical allocation. We have supported the "13th Five-Year Plan", "14th Five-Year Plan", "four regions", "three supporting belts", the construction of Xiong'an New Area and Beijing Sub-centre, and other key projects and programs. We have also implemented counter-cyclical policies and increased financing support. As at and for the year ended 31 December 2020, we registered new domestic RMB loans of RMB1.88 trillion, representing a year-on-year increase of RMB549.10 billion. As at 31 December 2020, our bond investments grew by RMB1.19 trillion over the beginning of 2020, ranking the first in the market. In terms of RMB bond investment, we actively invested in various bonds to boost the growth of the real economy. We actively invested in bonds from areas affected by the pandemic and bonds whose proceeds will be mainly used for pandemic prevention and control, in order to provide strong financing support for the pandemic prevention and control. In 2020, to support COVID-19 containment, bring enterprises back to business and serve the high-quality development of the real economy, we carried out special actions to support COVID-19 relief efforts, the resumption of work and production, stabilise and strengthen supply chain, facilitate foreign trade and foreign investment and help Hubei and Wuhan to fight with COVID-19. As at 31 December 2020, the amount of loans we granted to manufacturing industry increased by RMB222.9 billion with medium to long-term manufacturing loans grew by 46.7 per cent. as compared to the end of 2019. As at 31 December 2020, the loans to private enterprises increased by 12.4 per cent. as compared to the end of 2019. By actively improving the development of green finance system and service innovation in green finance, our balance of the green loans amounted to RMB1.85 trillion as at 31 December 2020.

We continue to leverage on our global service network and cross-border integrated service advantages to build a cross-border integrated RMB service system of full chain, full product lines and full life cycle, covering settlement, clearing, investment and financing, financial markets, bond underwriting, asset management, asset custody, and cross-border e-commerce We promoted the innovative development of cross-border RMB business in key regions, including the Lingang New Area in Shanghai, Guangdong-Hong Kong-Macau Greater Bay Area and Hainan Free Trade Port. In 2020, the cross-border RMB business volume exceeded RMB7.2 trillion.

We have continued to optimise our income structure. We significantly enhanced our efforts to develop low capital consumption intermediary businesses and emerging businesses. In addition, we have pushed forward the diversification of our businesses and promoted a more diversified income structure. We believe our intermediary businesses lead our peers in terms of volume. For the year ended 31 December 2020, our net fee and commission income was RMB131.2 billion, representing an increase of 0.5 per cent. as compared to 2019. Although hit by the COVID-19 pandemic, we persisted in business transformation and implementation of fee reduction and profit concession policies, resulting in the income decrease on bank card, investment banking, guarantee and commitment businesses.

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

We have an extensive customer base. In 2020, our personal customers reached 680 million and we were the first in the banking industry whose monthly active Internet banking customers reached 100 million. The number of personal mobile banking customers amounted to 416 million and we ranked first in the PRC banking industry in terms of total number, increment and average monthly number of active personal mobile banking customers. We have an industry-leading corporate customer base, and the number of high-quality corporate banking customers has been increasing. Our optimised customer structure has not only provided us with steady sources of funds and promoted the sound growth of our corporate credit business, but also has laid a solid foundation for the fast growth of our corporate intermediary business. The proportion of our customer base represented by medium and high-end individual customers has increased rapidly in recent periods. Our high-end individual customer base provides strong support for the further development of our personal financial products and services and steady progress was made in the transformation of businesses such as asset management, private banking and investment banking.

We have established a well-structured, extensive and efficient distribution network and continue to improve our international network. As at 31 December 2020, we had 426 overseas institutions in 49 countries and regions and indirectly covered 20 African countries through our equity participation in Standard Bank Group Limited. We also established correspondent relationships, establishing a service network covering Asia, Africa, Latin America, Europe, North America and Australia, including major international financial centres. We have strengthened our network by adjusting the geographical allocation of our branch network and upgrading outlets. We have further diversified our distribution channels in order to enhance our ability to provide individualised services. We have continued to upgrade our operational network, strengthen the build-up of our customer management team and improve our multi-level customer service system and our customer service capabilities.

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

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

We believe we have a leading position in the industry in terms of our E-banking capability. In 2020, we ranked at first place in the banking industry for seven consecutive years in CBIRC's IT supervision ratings. Seven of our achievements won the annual Banking Technological Development Award from PBOC, which is the most among our peers in the PRC banking industry. In particular, the distributed technology system received the first prize of the above award. We won the "Best Financial Innovation Award" from *The Chinese Banker* for the fifth consecutive year. Besides, we were rated with multiple FinTech innovation awards, e.g. "Best Internet of Things Implementation in China", "Best Process Automation Implementation in China" and "Best API and Open Banking Implementation" by *The Asian Banker*.

In 2020, we also focused on the development of FinTech. Sticking to our duty of serving the real economy and the dual-wheel drive of system reform and technological innovation, we continued to strengthen our internal power and growth momentum. We accelerated digital transformation, advanced the "Digital ICBC" initiative, improved financial availability, convenience, and accuracy, and helped drive the digital transformation of the entire country. We sought self-reliance in technology. With a successful progress in ECOS development, we stepped up empowerment through financial inclusion technology.

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

We improved the Group's risk governance system and improved the global, comprehensive and brand-new risk management system involving all personnel, spanning all processes and covering all risk exposures under the principles of "active prevention, smart control and comprehensive management" and put in place the four-pronged risk management approach to people, money, defence line and bottom line, realising the full coverage and precise control of risks in each segment of the institutions and all types of risks. We reinforced the management of "Three Gates" and "Seven-colour Pools" and launched the new regulation on credit approval, steadily pushed forward the resolving of credit risks in an orderly manner and continued to improve credit asset quality. For the year ended 31 December 2020, we recovered and disposed of RMB217.6 billion NPLs, representing an increase of RMB28.9 billion over the previous year. In 2020, we also improved the development of "Rong An e" risk control systems and built the smart risk control brand. We strengthened the analysis and anticipation of market conditions, dynamically revised the investing and trading strategies and continued to improve the capacity for identifying, measuring, giving early warning on and controlling market risks to effectively tackle market fluctuations. We continued to manage operational, liquidity and reputational risks well, fostered the compliance culture and performed compliance management of domestic and overseas institutions.

Our industry-leading risk management capability has helped us to maintain a low NPL ratio in terms of newly issued loans. Our NPL ratios as at 31 December 2018, 2019 and 2020 were 1.52 per cent., 1.43 per cent. and 1.58 per cent., respectively. As at 31 December 2020, the ratio of overdue loans was 1.44 per cent., decreased 0.16 percentage points from the end of 2019. The price scissors between overdue loans and NPLs turned negative for the first time in 2020.

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

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

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

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

We have established a centralised technology organisation system, formed information technology management and information technology approval committees and formulated complete and sound information technology management systems, technical standards and norms in the PRC banking industry. We have one of the largest and strongest technology teams in the PRC banking industry. In 2020, we invested RMB23.819 billion in FinTech and had 35,400 FinTech personnel, accounting for 8.1 per cent. of all of our employees.

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

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

- with a particular emphasis on Asian and other emerging markets, we have focused on growing our businesses in both emerging and developed markets, have expanded our overseas operation network through both organic growth and strategic mergers and acquisitions and have set up both physical outlets and electronic channels;

- leveraging our overseas integrated business licence as well as the strong product support from FOVA for overseas institutions, we have built up our important global product lines, including retail, funds clearing, trade finance, global cash management, specialty financing, investment banking, bank card, internet banking and asset management, while managing our core businesses including loans, deposits and foreign exchange services; and

- following closely the trend of PRC enterprises expanding their businesses globally, we have promoted the RMB settlement business for cross-border trades and strengthened our integrated ability to serve global customers.

We have established a global network with 426 overseas institutions in 49 countries and regions as at 31 December 2020. On that basis, we have gradually shifted the focus of our internationalisation strategy to the localised, mainstream and differentiated development of overseas institutions. Through strengthening the extension of key product lines abroad and interactions between domestic and overseas operations, we have improved the competitiveness, operation and development of our overseas institutions.

Our overseas branches in Singapore, Luxembourg, Qatar, Canada, Thailand, Argentina and Russia have obtained the qualification to become RMB clearing banks, making us one of the PRC financial institutions with branches with RMB clearing capability in Asia, Europe, and the Americas and establishing a truly global RMB clearing system operating 24 hours a day, seven days a week and a solid foundation for further promoting cross-border RMB transactions. In 2020, our cross-border RMB business volume exceeded RMB7.2 trillion. Our RMB clearing capability has facilitated cross-border RMB transactions and promoted the internationalisation of RMB.

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

On 8 December 2016, the board of directors of the Bank (the "**Board**") established ICBC Asset Management Co., Ltd ("**ICBC Asset Management**") in Beijing with an investment of RMB12 billion, representing 100 per cent. of the registered capital of ICBC Asset Management. ICBC Asset Management is dedicated to our debt for equity swaps business and is responsible for the overall implementation of the debt for equity swaps business for the entire Group. ICBC Asset Management carries out debt acquisition,

debt for equity swaps, asset disposal and other asset management related to debt for equity swaps as required for the debt for equity swaps business, subject to the final scope of business approved by the regulatory authority. The investment has been financed by our own funds. The investment has generated reasonable investment returns for us, promoted the upgrade of our conventional business, expanded the means for our business innovation, improved our diversified financial service capability, and further consolidated the Group's resources to push forward the specialised operation of business in the relevant fields. The investment has reduced the enterprise leverage ratio and is consistent with our strategy to develop diversified financial services.

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

Our senior management team has extensive experience in the PRC commercial banking industry. Our chairman, Mr. Chen Siqing, joined us in 2019 and has over 20 years of experience in the PRC banking industry. Our president, Mr. Liao Lin, joined us in 2019 and has over 30 years of experience in the PRC banking industry. Our senior management also has long-term strategic vision and keen insight into the PRC banking industry. Under their leadership, we have established an industry-leading operating model in the PRC. We have actively responded to changes in the external environment, continued our product development and business innovations, established powerful information technology systems and became the first in the PRC banking industry to establish a comprehensive risk management system. Our senior management team has led our transformation from the PRC's largest bank to a leading international bank.

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

OUR STRATEGIES

We will remain guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strive for the goal of building a moderately prosperous society in all respects, follow the "48-character" guideline of "guidance of Party building and strict governance, customer first and serving the real economy, technology driven and value creation, international vision and global operation, pragmatic transformation and reform, solid foundation by risk control and talent-oriented development" and accurately understand the "big, comprehensive, stable, new, optimal and strong" orientation of development. Meanwhile, we will make coordinated effort on regular COVID-19 containment, financial services and business development and provide financial services that are increasingly adaptive, competitive and inclusive. We intend to achieve this through the following strategies:

Continuing to optimise our asset and liability structure.

We aim to optimise our business operations by focusing on new businesses with high-growth potential, including individual loans and loans to small and micro enterprises and medium-sized enterprises, as well as high-growth industries, such as strategic emerging industries, internet sector, service sectors and household products sectors, to further develop our customer base and targeted markets. We intend to maintain a prudent lending policy by promoting our businesses to customers in environmentally friendly sectors and reducing our exposure to industries with high energy consumption and over-capacity. The strategy of "No.1 Personal Bank" will be prioritised to meet the need of citizens. We intend to further mature the investment and financing system to support advanced manufacturing for high-quality development, promote financial development of small and micro enterprises and private enterprises and actively serve the livelihood-related consumption. We aim to proactively respond to national regional development strategies and strives to construct a network of collaborated development, featured development and optimised development among major regions. In line with the rural revitalisation strategy, it will focus on poverty alleviation.

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

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

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

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

- In personal banking, we plan to further develop personal wealth management and other investment products, standardising services and distribution bank-wide to provide tailored products and services focused on high net worth customers and customer groups with high growth potential.

- In our treasury business, we intend to continue to enhance our investment and trading capabilities, upgrade our trading systems, improve the quality of investment and trading personnel, develop new products and services, strengthen our liquidity management and increase the return on our non-credit exposure assets.

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

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

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

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

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

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

We aim to further invest in information technology infrastructure and to apply data analytics, cloud computing and mobile internet technologies in areas such as marketing and sales, customer services, product innovation and risk control in order to support our business, with a focus on the integration of finance and technology. We will continue developing our three major platforms: "ICBC Mall", "ICBC

Mobile" and "ICBC Link". We intend to use the technology at our disposal to gain more insight into our customers' demands, to increase our business and risk management capabilities and effectiveness, to strengthen dynamic risk assessment and real time alert controls and to develop an integrated platform combining online and offline services for our customers. For example, on 8 November 2019, we announced that we had officially released ecosystem ("**ECOS**") in Beijing. Based on the construction of ECOS, we have reorganised the business structure and set up a new system of intra-group product consolidation, information sharing, process coordination and channel synchronisation. Centring on customers, we will actively push forward the transformation of the customer development concept to "serving the broadest customer base", provide customers with low-cost, highly efficient and individualised services. We will also rely on ICBC Mobile, ICBC Link, ICBC Mall API open platform and ICBC Finance Cloud Platform for cross-sector cooperation, to construct "Finance Plus" hotspot scenarios and build an open, cooperative and win-win financial ecosphere. Following the FinTech development trend, we intend to comprehensively lay out in advanced technology areas such as artificial intelligence, blockchain, cloud computation, big data and internet of things. Technology empowerment will be further highlighted to develop a digital ICBC. The ECOS project will be completed and an "all-customer, full-channel and omni-product" new ecosystem framework set up. Collaboration between technology and business will be enhanced and capacity of agile and iterative development will be improved. The intelligent bank strategy will be carried out in depth and the primary online integrated service platform will be further developed to promote intelligent customer marketing, operation management and risk control online.

Continuing to strengthen risk management and internal control systems.

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

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

We intend to continue to manage our human resources through various initiatives in order to support our business strategies. We have introduced five career tracks into our human resource system, namely, "management", "profession", "sales", "customer service" and "operation", in order to facilitate employee career development, enhance performance appraisal and remuneration measures. We intend to continue to provide training and development programmes for our employees to enhance their skills and professional development. We also intend to further improve our management and employee incentive system, such that an employee's income is tied to his or her personal performance and the contribution made by his or her respective work units. We believe that through these initiatives, we can attract, retain, motivate and develop a workforce of high quality.

OUR BUSINESS OPERATIONS

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

Corporate Banking

We actively supported the construction of infrastructure and major projects that could "make up for shortcomings", especially the high-quality development of manufacturing, backed up the consumption upgrade service industries such as healthcare, education and pension and energetically developed green finance and inclusive finance. We timely adjusted our credit strategy to support the development of the real economy, meeting the fund demand for epidemic prevention and control, resumption of work and production, emergency loans and deferred repayment of principal and interest in special periods and properly relieved the temporary operational difficulties faced by enterprises which were affected by the epidemic.

The volume and price of our corporate loans were coordinated and our deposit growth remained robust. We increased credit granting and ranked first among our peers in terms of the balance of corporate loans, with the growth exceeding RMB1 trillion for the first time. We transformed our pricing benchmark for existing floating rate loans. Through multi-dimensional expansion, flexible pricing, product innovation and other effective measures, our corporate deposit growth reached a record high and both the balance and the growth of our corporate deposits ranked first in the PRC banking industry.

We increased credit support for key fields and key regions. We granted loans of RMB1.65 trillion to manufacturing companies, representing an increase of RMB218.9 billion over the end of 2019, of which, medium to long-term corporate loans amounted to RMB624.5 billion, representing an increase of RMB188.7 billion over the end of 2019. We ranked first in the PRC banking industry in terms of the balance and growth of loans to manufacturing companies and medium to long term corporate loans, which both hit a record high. Our corporate loans granted to private enterprises stood at RMB2.18 trillion, representing an increase of RMB240.5 billion over the end of 2019. The priority of newly increased corporate loans was given to key regions, with 79 per cent. of our newly increased loans were granted to key regions such as Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region.

We believe we have the largest corporate banking customer base in the PRC. As at 31 December 2018, 2019 and 2020, the number of our corporate customers was 7.03 million, 8.10 million and 8.64 million, respectively. We provide a wide range of corporate banking products and services to state owned enterprises, privately owned enterprises, foreign-invested enterprises, government authorities and other entities. Our corporate banking business has maintained a leading position in the PRC banking industry. Our corporate loan business maintained steady growth of loan portfolio size with continued optimisation of term structure and product structure. As at 31 December 2020, the balance of corporate loans reached RMB11,102,733 million, representing an increase of RMB1,146,912 million or 11.5 per cent. from 31 December 2019. We also continue to lead the PRC corporate deposits market, with the proportion between time deposits and demand deposits being generally maintained at a steady level. As at 31 December 2020, the balance of our corporate deposits amounted to RMB12,944,860 million, representing an increase of RMB916,598 million or 7.6 per cent. from 31 December 2019.

Corporate Loans

Corporate loans represent the largest portion of our loan portfolio. Our corporate loans include short-term loans and medium to long-term loans. As at 31 December 2018, 2019 and 2020, our corporate loans were RMB9,418.9 billion, RMB9,955.8 billion and RMB11,102.7 billion, respectively. We actively supported the constructions of ongoing infrastructure projects and major projects for making up shortcomings and offered prominent support to the high-quality development of manufacturing, meeting funding requirements of customers in anti-epidemic service sectors for continuing operations. Therefore, our corporate loans in key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region remained growing.

We provide short-term loans with maturities of up to one year to our corporate banking customers. A substantial majority of our short-term corporate loans are working capital loans including trade finance loans. In addition, we provide our corporate banking customers with bills discounting, factoring and forfeiting loans. As at 31 December 2020, the balance of our short-term corporate loans amounted to RMB2,643.2 billion, accounting for approximately 23.8 per cent. of the balance of our corporate loans.

Our medium to long-term corporate loans generally feature terms ranging from one year to 10 years and primarily comprise project loans and property loans. As at 31 December 2020, the balance of our medium to long-term corporate loans amounted to RMB8,459.5 billion, accounting for approximately 76.2 per cent. of the balance of our corporate loans.

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

- in response to changes in the macroeconomic environment, we optimised the distribution of our lending and further adjusted our credit structure to promote the stable and healthy development of our credit business;

- we proactively provided support for the real economy, satisfied funding needs of key national and regional projects and extended more loans to Central and Western China and Northeastern China;

- we allocated additional financial resources to key industries and quality customers so as to support key national projects under construction and expanded our businesses in areas such as urbanisation-related industries, basic industries and infrastructure, energy and resources, modern services industries, advanced manufacturing, cultural industries, environmental protection, energy conservation and modern agriculture;

- we strengthened the management of our lending to LGFVs and controlled loans to the real estate industry and industries with over-capacity, and gave financial support to various energy conservation and emission reduction projects;

- we accelerated the development of our supply chain financing, including providing e-supply chain financing products in order to enhance the development of trade finance and small and micro enterprises and medium-sized enterprises credit business; and

- we increased our efforts to compete for major corporate customers and industrial leaders and sought new customers among core enterprises and upstream and downstream small and micro enterprises and medium-sized enterprises of supply chains, in an effort to achieve balanced growth of high quality large, medium and small corporate customers.

Corporate Deposits

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

As at 31 December 2018, 2019 and 2020, the balance of our corporate deposits was RMB11,481.1 billion, RMB12,028.3 billion and RMB12,944.9 billion, respectively.

Inclusive Finance

We have always regarded the development of inclusive finance as an important measure to serve the real economy and realise its transformation and development. In 2020, relying on the Group's FinTech advantages, we substantially strengthened the supply of inclusive finance, accelerated product and service innovation, and stepped up scenario construction to promote the rapid and high-quality development of inclusive financial business.

We effectively strengthened the supply of inclusive finance, accelerated product innovation, improved risk control, coordinated epidemic prevention and control with the support for the resumption of work and production of small and micro enterprises and promoted the high-quality and sustainable development of inclusive finance business.

We built a new "Digital Inclusive" system empowered by technology. We fully explored the value of internal and external data, optimised the online inclusive loan product system, and served the long-tail inclusive finance customer group. Through multi-dimensional cross-validation and other methods, we built a digital and intelligent full-process risk control system, and gradually formed a set of stable, sustainable and strategic inclusive finance business model. In 2020, the proportion of online inclusive loans to the balance of new inclusive loans reached 98%.

We optimised three categories of online products. The Quick Lending for Operation sped up the data integration and application of tax, credit reference, logistics and power, and launched more than 400 financing scenarios, including settlement, tax, cross-border and medical security financing. e-Mortgage Quick Loan, an online revolving loan, improved business efficiency and customer experience relying on a new model of "online assessment of collateral, automatic approval of business and online monitoring of risks". ICBC e Credit, a key product of digital supply chain, realised the credit granting throughout the whole industrial chain and cumulatively exploited nearly 2,000 industrial chains. As at 31 December 2020, our personal business loans increased by RMB175,742 million or 50.8 per cent. as compared to the end of 2019 which mainly due to the rapid growth of key lending products in the inclusive finance areas such as Online Revolving Loan and Quick Lending for Operation.

We well performed in deferring the repayment of principal and interest on the loans to small and micro enterprises. For the enterprises affected by the epidemic that could not repay principal and interest on time, we made the arrangements for deferred repayment of principal and interest by loan renewal, extension, refinancing, grace period, adjustment of repayment plan and other ways, so as to ease the financial pressure of enterprises.

Our credit product innovation was accelerated. We diversified online unsecured loan products and launched Anti-epidemic Loan, Reopen Loan and Employment Loan to assist in epidemic prevention and control and resumption of work and production of small and micro enterprises. As one of the first batch of banking partners, we signed a "Head Office-to-Head Office" cooperation agreement on batch guarantee business with the National Financing Guarantee Fund and took the lead in launching the loan business in China.

We extended our service chain of inclusive finance by developing new scenarios. We built a small and micro enterprise financial service platform integrating account opening, settlement and financing functions to provide convenient financial services. We launched activities such as "ICBC Inclusive Finance Travel", "One Hundred Branches Serving Ten Thousand Enterprises", "One Thousand Experts Serving Small and Micro Enterprises" and "Ten Thousand Small and Micro Enterprises Growth Plan" to provide customised exclusive services. We launched the "ICBC Business Matchmaker" cross-border matchmaking platform to provide access to the global industrial chain. Moreover, we expanded the scope of small and micro financial services and offered value-added think tank services such as professional consultation and "ICBC e Intelligence", to continuously improve the activeness of inclusive finance customers and enhanced customer stickiness.

We enhanced the comprehensive contribution of inclusive finance business by collaboration with the Group. Relying on the Group's comprehensive financial service capability, we tapped into customers' financial needs and extended our services to inclusive customers' upstream and downstream along the industry chain, business owners and employees by providing them with services such as clearing and settlement, payroll service and private banking. We built an internal circulation system for government, business and consumption ("**GBC**") funds, and build an inclusive ecosystem featuring long-term cooperation, mutual prosperity and accompanying growth.

We provided effective support and risk control to fight against the COVID-19 by joint force. We actively helped small and micro enterprises to cope with the impact of the epidemic, implemented the policy of delaying the repayment of principal and interest in accordance with the principle of "due extension" and overcame difficulties with these enterprises. At the meantime, pursuant to the principle of substantive risk judgment, we strengthened post-lending risk monitoring, improved risk control measures and made risk response ahead of the market curve. As at the end of 2020, the NPL ratio of our inclusive loans were significantly lower than the average level of our loans and the risk was stable and controllable.

As at 31 December 2020, the balance of inclusive loans to small and micro enterprises amounted to RMB745.2 billion, representing an increase of RMB273.7 billion or 58.0 per cent. from 1 January 2020, outperforming the target of "an annual growth rate higher than 40%". In 2020, we pushed inclusive finance to increase volume, expand coverage, enhance quality and cut cost. As at 31 December 2020, there were 606,000 micro and small enterprise loan customers, representing an increase of 183,000 from 1 January 2020. We reasonably set the term of loans according to the characteristics of loans used by enterprises, so as to help small and micro enterprises improve fund use efficiency and reduce on-lending costs. The average interest rate of loans granted in 2020 decreased by 0.39 percentage points over 2019 to 4.13 per cent. Inclusive farmer business loans and inclusive small and micro enterprise agriculture-related loans amounted to RMB152,187 million, representing an increase of RMB40,611 million or 36.4 per cent. over the year beginning; the number of such customers was 98,000, increased by 15,000; and the number of small and micro financial business centres was 324, increased by 36 over the end of 2019.

Institutional Banking

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

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

We assisted with government reform through bank-government services. We actively cooperated with the MOF and local financial departments to promote the electronic reform of local non-tax collection and were continuously leading the industry in terms of the coverage and scale of agency business. We are the first one in the industry to launch an integrated social security service platform – "ICBC e Social Security", making our services available in all provinces and autonomous regions in China. The market share of provincial pooling account of old-age insurance ranked first in the industry.

We stayed ahead in many fields in cooperation with peers. We established a unified management system for the centralised clearing agency business of Shanghai Clearing House, fully covering the qualifications of the centralised clearing agency business in the interbank market. In order to provide financing support for small and medium enterprises, we launched the online standard warehouse receipt pledge financing business in conjunction with Shanghai Futures Exchange, making it the only state-owned commercial bank among the institutions that have launched the business. We vigorously promoted the commercial paper brokerage business, provided services for enterprises through the "Discount Connect" platform of Shanghai Commercial Paper Exchange, and ranked first in the industry in terms of the number of enterprises that have signed contracts with us.

We spared no effort to support epidemic prevention and control. As a main channel for allocating anti-epidemic funds on behalf of public finance departments at all levels, we could complete the allocation of the funds efficiently. We quickly rolled out the "emergency material management system" and "campus epidemic prevention registration management system", and launched the special anti-epidemic columns such as "ICBC e Government Service" online donation and "ICBC e Social Security" to help with epidemic prevention and control and resumption of work and production.

Settlement and Cash Management

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

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

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

With diversified products and services, we offer comprehensive cash management solutions to corporate customers such as information services, account management, liquidity management, collection and payment management, short-term investment and financing service and risk management. We provide corporate groups with centralised treasury management services of cross-border bilateral RMB cash pool, centralised operation management services for cross-border funds and cross-border cash management services based on domestic and overseas treasury management policies, extending the cash management business to more than 80 countries and regions. In recent years, we were named the "Best Cash Management Bank in China" by *The Asset, Global Finance and The Asian Banker*. In 2020, we were awarded "Best Asian International Cash Management Bank in Asia Pacific" by *The Asian Banker*.

We optimised the building of three major platforms. The global cash management platform provides treasury management cloud services to help enterprises improve the efficiency of domestic and foreign fund management. The small and micro financial service platform rolled out innovative functions, such as convenient payment and foreign exchange settlement, providing small and micro enterprises with round-the-clock comprehensive financial services, including account opening at the mobile terminal,

settlement, investment and financing. The "ICBC Pooling" platform launched such innovative products as "Supply Chain Cloud", "Government Procurement Cloud", "Medicine Purchase Cloud" and "Construction Cloud" and enhanced the comprehensive service capability of supply chain customer groups.

We constantly facilitated product innovation. We developed "ICBC e BillPay" into a smart bill payment platform that integrates the functions such as convenient bill payment, donation and community life. We embedded the "ICBC e Corporate Payment" in the corporate online payment scenario of public online payment scenario of the platform for core enterprises in the supply chain and government affairs, and launched the innovative mode of O2O payment and small-value convenient payment to provide customers with corporate online settlement services that could ensure the capital safety, convenient process and controllable risk. We actively promoted the scenario building of the "Corporate Wallet", a digital currency electronic payment tool, enabling corporate digital wallets to be used in the scenarios such as "ICBC e BillPay", "ICBC e Corporate Payment" and QR code-based charging. We comprehensively optimised the global payroll payment service, allowing customers to pay salaries at home and abroad.

As at 31 December 2020, we maintained 10,106,000 corporate settlement accounts, representing an increase of 7.0 per cent. from 31 December 2019 to 31 December 2020. The volume of corporate settlements reached RMB2,518.24 trillion in the year of 2020. As at 31 December 2020, there were 1,447,000 cash management customers. In addition, there were 8,787 global cash management customers representing an increase of 10.2 per cent. from 31 December 2019 to 31 December 2020.

International Settlement and Trade Finance

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

- we leveraged our advantages in domestic and foreign currency business and close interaction between domestic and overseas branches and improved our product portfolios by integrating financing, settlement, wealth management and trading to better serve the needs of our import and export enterprise customers;

- we accelerated the expansion of global supply chain products, integrated products denominated in RMB and foreign currencies and optimised our business structure;

- we launched an import aval business and e-presentation of documents of letter of credit, and rolled out a global documents management system, further enhancing the centralised processing efficiency of our documents management business;

- we strengthened our systems for checking trade backgrounds to prevent false transactions and arbitrage behaviours of enterprises;

- we participated in cross-border RMB pilot programmes in many regions, including the Shanghai Free Trade Zone, Khorgos Xinjiang and Qianhai Shenzhen, and participated in the launch of various innovative services and products such as two-way RMB cross-border cash pooling and overseas RMB lending; and

- we improved the "ICBC Cross-border Express" product system and launched innovative RMB cross-border products such as Direct Financing Express, agreed-upon payment and structural financing.

In 2020, relying on the intensive advantage in customs import and export data, we launched a "single window" financial service in an innovative manner, and became one of the first batch of pilot banks which directly connected with the cross-border financial blockchain service platform of the SAFE. To support the development of new business patterns such as cross-border e-business, we strengthened cooperation with domestic and foreign payment institutions, cross-border e-business platforms and other different customers in cross-border payment, and launched the "Cross-border e-Business Connect", a comprehensive service platform.

In 2020, our domestic branches disbursed an aggregate of U.S.$63,076 million in international trade finance. In addition, international settlements amounted to U.S.$3,242,127 million, of which U.S.$1,318,726 million was handled by overseas institutions.

Investment Banking

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

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

We constantly enhanced the capability of investment banking in serving the real economy. Through new models of investment-loan interconnection and commerce-investment interaction, we increased support for modern service industry, strategic emerging industries, digital economy and private economy. We conducted mergers and acquisitions focusing on the key fields, including capital market, industrial integration, reform of state-owned enterprises, and the Belt and Road Initiative, and maintained a leading position in domestic and foreign merger and acquisition markets. We advanced the innovation of advisory services for financing rearrangement and debt restructuring of large enterprises in distress, actively moved forward financial services and risk prevention, and enhanced the capability of investment banking to resolve risks. We rolled out innovative sustainable debt financing mode, helped enterprises optimise their capital structure, and provided financial support for major infrastructure projects. We promoted asset securitisation investment and securitisation of proactively managed assets to meet the needs of enterprises for comprehensive financial services.

We improved the product system covering "one advisory service, two certificates and three e-services" which refers to the advisory service, "ICBC e Confirmation Service", credit certification, "ICBC e Security", "ICBC e Intelligence" and "ICBC e RM", launched an innovative intelligent financial solution, and promoted the intelligent upgrading of advisory services. We took the lead in the industry to launch an e-confirmation platform, making it possible to handle the whole bank confirmation services online. "ICBC e Security" was designed to effectively prevent and control telecommunication frauds by risk screening. "ICBC e Intelligence" accesses to high-quality property transaction information and keeps enriching the content of think tank services continuously. "ICBC e RM" adds a new financial benchmarking system for listed companies, making its analysis more comprehensive.

For the years ended 31 December 2018, 2019 and 2020, our investment banking income was RMB24,002 million, RMB23,860 million and RMB21,460 million, respectively, representing a decrease of 0.6 per cent. from 2018 to 2019, and a further decrease of 10.1 per cent. from 2019 to 2020 which is mainly because we persisted in business transformation and implementation of fee reduction and profit concession policies although we were hit by the COVID-19 pandemic.

In 2020, we acted as the lead underwriter for 2,632 Chinese bond projects with a total value of RMB1,904,204 million, preserving our No. 1 position in the market in terms of domestic leading underwriting scale.

Discounted Bills

We continued to optimise and upgrade innovative products such as "ICBC e Discount", "Supply Chain Bill Pay" and "Inclusive Discount", and gave full play to the role of bill products in financing the real economy, especially small and micro enterprises, industrial chain and supply chain.

In 2020, our discounted bills amounted to RMB1,474,935 million, an increase of 8.0 per cent. compared with the same period of last year, which ranked first in the market. In addition, discounted bills for small and micro enterprises was RMB429,809 million, with an outstanding balance of RMB208,907 million.

Personal Banking

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

In 2020, we continued to deepen the No.1 Personal Bank Strategy, consolidated personal customer base, strengthened the FinTech empowerment, and further enhanced our market competitiveness. At the end of 2020, our personal financial assets amounted to RMB16.0 trillion. In particular, our personal deposits reached RMB11,660,536 million, representing an increase of RMB1,182,792 million or 11.3 per cent., as compared to the end of 2019 and the time-point growth hit a record high; our personal loans amounted to RMB7,115,279 million, representing an increase of RMB731,655 million or 11.5 per cent., as compared to the end of 2019. As at 31 December 2018, 2019 and 2020, we had approximately 607 million, 650 million and 680 million personal banking customers, respectively. Our personal non-principal-guaranteed wealth management products amounted to RMB2.15 trillion, maintaining an absolute leading position in the market. Personal loans grew remarkably, and the growth of residential mortgages ranked first in the industry.

We launched the "No. 1 Personal Bank" brand. Based on the concept of "considerate bank, intelligent bank, boundless bank and reliable bank", we made every effort to help meet people's yearning for a better life. The retail sales line provided a strong support for our operating income growth. The total amount and the growth of our fee-based business income from personal banking both ranked first in the industry.

We strengthened deposit service innovation. We rolled out deposit products for key customer base such as Fu Man Yi, Happy Deposit, exclusive deposit of social security card, and themed deposit products like red certificate of deposits, and took the lead in the industry to launch the function of large-denomination certificate of deposit negotiability, driving the stable growth of saving deposits.

According to the PBOC's requirements on interest rate liberalisation reform, we steadily pushed forward the LPR conversion for personal loans. We strengthened innovation of loan business focusing on the key consumption markets such as pension, automobile, leasing, education and home decoration, and improved the consumer finance services.

In the face of the impact of COVID-19, we well performed in rendering emergency services in response to the call of the state and regulatory requirements and ensured that personal financial services were uninterrupted without losing the quality. We further advanced the transformation of online, digital and intelligent operation transformation, and helped enterprises and residents resume production and work and reopen businesses and markets.

In 2020, funds under agency sales amounted to RMB685.6 billion, government bonds under agency distribution were valued at RMB33.5 billion and personal insurance products under agency sales reported at RMB115.2 billion.

Our risk control remained robust. The quality of our personal loan assets remained sound despite the epidemic impact, with NPL ratios of personal loans and residential mortgages stood at 0.56 per cent. and 0.28 per cent. respectively. The quality of our personal loan assets was sound as a whole, paving the way for stabilising the quality of our credit assets.

Smart transformation was accelerated. We built a new ecosystem of online customer acquisition, and gradually explored a new open banking service mode to adapt to the Internet era with "ICBC e Wallet" as the carrier. We have served more than 33.00 million customers. We developed an intelligent customer maintenance system, launched a "cloud studio" for customer managers, and sped up the building of a new generation of broadest customer base maintenance system. We promoted the building of a series of projects such as intelligent brain, intelligent experience and intelligent outbound call, and effectively improved the intelligent customer services. Relying on the intelligent brain, the front-line marketing staff provide differentiated and targeted services to 9,546,200 customers. We accelerated the intelligent transformation of channels, promoted the construction of 5G intelligent bank outlets in some key cities, and built an enterprise-level intelligent service platform.

We were awarded the "Best Mega Retail Bank in China" by *The Asian Banker* for consecutive years and ranked first in the global banking brands by retail banking issued by *The Banker* of the United Kingdom.

Private Banking

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

We adhered to the whole market selection and whole product allocation, actively served the net worth-based transformation of wealth management products, effectively undertook the matured customer funds through diversified comprehensive allocation and made every effort to expand wealth management products under the New Rules on Asset Management. We customised high-quality selected products on demand, steadily improved exclusive insurance products and developed innovative comprehensive advisory business of family trust.

We established a professional assessment system for investment consultants and improved the collaborative work mechanism between wealth consultants and investment consultants. We took the lead to launch such online training brands as "Private Banking Support Station", "Private Bank e Hour" and "Wealth Management Micro Class" to comprehensively improve professionalism.

We established an online service system of "full ecological response and universal service through one-point access", accelerated business innovation and technology empowerment, and promoted the function optimisation of private banking exclusive version of ICBC Mobile. We optimised the online customer service scenario to improve service experience of private banking customers.

We received a number of awards from well-known domestic and international media, symbolising our excellent brand value. In 2020, we were awarded Private Wealth Service of the Year in China" by *The Asian Banker*, the "Best Private Banking Experience, China" by *The Asset* and the "Best Domestic Private Bank Brand" by the *Wealth*. We were awarded the "Best Private Bank in China" by *The Banker*, a branch of *Global Finance*, and *PWM* in 2018 and 2019; and we were also awarded the "Best (Mega) Private Bank in China" by *The Asian Banker* for three consecutive years. We were named the "Best Private Bank Brand in China" by *Treasury* in 2016 and 2018, "Best Private Banking Institution" by *China Banking Institution* in 2017, "Jun Ding Award for China's Private Banking Brand" by *Securities Times* in 2017 and 2018 and "Best Private Bank" by *Oriental Fortune* in 2017 and 2018.

As at 31 December 2020, we had 102,000 personal customers with financial assets of RMB8 million and above, an increase of 11,517 customers or 12.8 per cent. from 31 December 2019. As at 31 December 2020, the assets under management totalled RMB1.8 trillion, an increase of RMB238.7 billion or 15.4 per cent. from 31 December 2019. As at the end of 2020, the number of personal customers with the average monthly/daily financial assets of RMB6 million and above for the past six months was 182,000, an increase of 23,750 customers or 15.0 per cent. from 31 December 2019; and the assets under management totalled RMB2.2 trillion, an increase of RMB282.8 billion or 14.9 per cent. from 31 December 2019.

Personal Deposits

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

As at 31 December 2018, 2019 and 2020, the balance of our personal deposits amounted to RMB9,436.4 billion, RMB10,477.7 billion and RMB11,660.5 billion, respectively, representing an increase of 11.04 per cent. from 31 December 2018 to 31 December 2019 and an increase of 11.29 per cent. from 31 December 2019 to 31 December 2020. As at 31 December 2019, our personal demand deposits and personal time deposits rose by 10.10 per cent. and 11.71 per cent., respectively, compared to such deposits as at 31 December 2018. As at 31 December 2020, our personal demand deposits and personal time deposits rose by 20.1 per cent. and 5.1 per cent., respectively, compared to such deposits as at 31 December 2019.

Personal Loans

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

As at 31 December 2018, 2019 and 2020, our personal loans amounted to RMB5,636.6 billion, RMB6,383.6 billion and RMB7,115.3 billion, respectively, representing an increase of 13.3 per cent. in 2019 as compared to 2018 and an increase of 11.5 per cent., respectively. Our residential mortgages as at 31 December 2019 rose by 12.6 per cent. compared to such mortgages as at 31 December 2018 and our residential mortgages as at 31 December 2020 rose by 10.9 per cent. compared to such mortgages as at 31 December 2019.

Bank Cards Business

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

We advanced our digital transformation by innovating online acquisition products. At the end of October 2020, we launched the ICBC UnionPay Unlimited Digital Platinum Card which is an online-only digital card that can be applied and activated in seconds. The card has drawn wide attention once it is available to customers.

On ICBC e Life, by building a platform for credit card spending, we established a financial ecosystem composed of APP, WeChat Applets, WeChat Official Accounts and online campaign pages. The platform added financial functions such as credit limit increase, password resetting and online instalment. It has three major scenarios: shopping, bonus point and instalment; three major sub-brands: e-Food Coupons, e-Top-selling Products and e-Coffee; and three promotion campaigns Seasons: "Top-selling Season, Travel Season and Digital Season". The platform also supports live broadcast. Currently, the number of registered subscribers of ICBC e Life has exceeded 90.00 million.

Bank card business generated a fee income of RMB18,623 million for the year ended 31 December 2020, representing a decrease of RMB3,141 million or 14.4 per cent. as compared to 2019, which is mainly because we persisted in business transformation and implementation of fee reduction and profit concession policies although we were hit by the COVID-19 pandemic. At the end of 2020, we issued 1,127 million bank cards, representing an increase of 55.31 million cards from the end of 2019, including 967 million debit cards and 160 million credit cards. Overdraft balance of credit cards increased by 0.5 per cent. from the end of 2019 to RMB681,610 million. In 2020, the spending volume of bank cards registered RMB21.46 trillion, including RMB18.88 trillion of debit cards spending and RMB2.58 trillion of credit cards spending.

Credit Cards

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

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

We stick to the "customer first" principal, focusing on customer feedback and the quality of service. Starting from 2017, we carried out series of promotions for "I GO" credit cards, bringing benefits to the customers. We also provided various services related to travel and capital security insurance to the customers such as lounges at airports and high-speed railway stations, valet parking, fast security check etc. which were well loved by the customers. Based on the innovative application of internet financial technology, we were the first to offer the safe and convenient online acquiring services without bank card in the PRC. We were named "No. 1 Credit Card Brand in China" by *the Ministry of Industry and Information Technology*, won the *Global Finance* "Best Commercial Corporate Credit Card", awarded "2020 Credit Card Risk Technology Improvement" by *The Asian Banker*. The constellation credit card and the Chinese zodiac credit card won the "ELAN – Best Safe Payment Card" and "ELAN – Most Popular Award" Gold Award in 2018 and 2019 by *International Card Manufacturers Association* ("**ICMA**"). We also received the "Best Risk Control in Asia-Pacific" from *Visa Inc.*

Debit Cards

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

In 2020, we launched personalised cards such as wedding cards and graduation season cards, and special debit cards, including the "Commemorative Card for the 600th Anniversary of the Forbidden City". The Forbidden City debit card won the "Elan Award – Unique Innovation Award" for 2020 conferred by the International Card Manufacturers Association, the first time for our debit card product to win such an international award.

We also released the Sichuan-Chongqing-themed debit card, providing cardholders with the rights and interests of payment and settlement services without any difference between Sichuan and Chongqing, and facilitating the construction of the double-city economic circle in Chengdu and Chongqing with convenient financial services.

Asset Management Services

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

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

- we engaged in cross-industry cooperation and competition with other institutions in order to seize the market opportunities for asset management services and satisfy our customers' needs for the management of their financial assets;

- we consolidated our advantages in wealth management, custody and pension businesses and the functions of subsidiaries specialised in investment banking, funds and insurance;

- we expedited the establishment of an integrated business operation system covering domestic and overseas regions across different lines of business; and

- we built a full-service asset management platform covering a wide range of markets and clients.

We firmly implemented the regulatory requirements, seized development opportunities, pushed forward the transformation of asset management business and products in a steady and compliant manner and comprehensively enhanced investment management and research capabilities. We established an asset management business system allowing allocation of capital in all markets and value creation across the whole value chain by relying on the strength of the Group's asset management, custody and pension businesses as well as our comprehensive subsidiaries specialised in fund, insurance, leasing, investment banking and wealth management, to provide diversified, integrated and specialised services for customers.

Wealth Management Services

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

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

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

For the years ended 31 December 2018, 2019 and 2020, the net fee and commission income generated from our personal wealth management and private banking services amounted to RMB27,596 million, RMB27,337 million and RMB29,630 million, respectively.

Asset Custody Services

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

Since 2018, following the development of the asset management industry, the opening of domestic capital markets globally and the reform of the pension insurance system, we have managed three strategic allotment funds and promoted the transformation of our net wealth management by providing integrated services of "custody + outsourcing". We won the bid for the central and provincial occupational annuity custody qualifications ranking the first place among all bidders, obtained the Chinese Depository Receipt depository qualification approved by CBIRC and successfully conducted the first global depository receipts ("**GDR**") depositary business in the market – Huatai Securities GDR domestic basic securities custody, becoming the first custodian bank to participate in "Shanghai-London Stock Connect" programme. In addition, we maintain a leading position in the fields of public funds, corporate annuities, insurance, bank wealth management and global custody in the PRC. We were in the first batch of receiving "Shanghai-London Stock Connect" deposit qualifications and the first bank to conduct GDR trusteeship and marketing Chinese depository receipt ("**CDR**") depository business in the market.

We actively explored hot areas and emerging markets, and further strengthened it our leading position in the industry. The mutual fund under custody continued to develop quickly and we were the first among domestic peers with custody size of more than RMB3 trillion. The insurance assets under custody continued to lead the industry, and our leading edge continued to expand, with the custody scale exceeding RMB5.4 trillion. We made an important breakthrough in global custody business, acted as the depositor of the first CDR in China and conducted the first CDR transaction. Seizing the business development opportunities brought by the New Rules on Asset Management, the outsourcing of our asset management product operation developed rapidly, with a size of over RMB1.5 trillion.

The building of intelligent custodian bank was advanced steadily. We introduced the main functions of an intelligent operation platform and completed the structuring of an intelligent data platform to realise flexible query of managed data. An intelligent customer service platform was put into operation and a brand-new ICBC Custody Mobile Banking was introduced to provide a full spectrum of custody services to customers.

We also continued to increase investment in science and technology, build four smart custody platforms in terms of smart operation, data, customer service and risk management, pioneering in building a smart custodian bank in the PRC.

We won the most awards among the PRC banks and our service quality has won wide recognition in the domestic and international financial sector.

As at 31 December 2018, 2019 and 2020, the total net value of our assets under custody was RMB16.3 trillion, RMB16.5 trillion and 18.5 trillion, respectively, representing an increase of 1.47 per cent. from 31 December 2018 to 31 December 2019 and an increase of 12.08 per cent. from 31 December 2019 to 31 December 2020. At the end of 2020, the size of our custody business reached RMB19.6 trillion.

Pension Services

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

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

Actively seizing the opportunities brought by the rapid growth of the occupational annuity market, we successfully obtained the trustee, custodian and investment manager qualifications for occupational annuities of central and all the local governmental agencies and administrative institutions that have completed bid invitations, with the total size of occupational annuities of the three qualifications ranking first in the market.

We continued to improve digital operation of pension business, enhance the building of service channels and functions in an all-round way, and made great efforts to promote "ICBC e Pension" service platform, covering more than 80 per cent. of the customers under the automated and self-service operation mode. During the COVID-19 pandemic, we introduced online processing method to ensure the continuity of pension business and efficiency of pension services.

As at 31 December 2020, the pension funds under our trusteeship amounted to RMB326.0 billion. We managed RMB11.36 million individual enterprise annuity accounts, and the enterprise annuity funds and occupational annuity funds under our custody totalled RMB955.7 billion. As at the end of 2020, we have a leading position in the market in terms of the total size of enterprise annuity funds under trusteeship, number of individual enterprise annuity accounts and enterprise annuity funds under our custody.

Financial Market Business

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

Money Market Activities

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

In the RMB money market, we actively provided liquidity supply during the COVID-19 pandemic, reasonably strengthened fund operation, and ensured liquidity support for small and medium financial institutions on the premise that risks were controllable, making great contributions to the smooth operation of the money market. We scientifically developed financing strategies, rationally devised financing maturities, varieties and counterparty structure, and constantly improved the profitability of fund operation.

In the foreign exchange money market, we enhanced the proactive and forward-looking management of foreign exchange liquidity, to ensure the liquidity safety of our foreign currency funds. We took advantage of various investment and financing instruments in the foreign exchange money market to improve the profitability of fund operation. Both the business volume and the number of customers of non-bank lending went up. We enhanced the capability of quotation for non-USD market making and entered into the first batch of CHF and KRW denominated lending transactions in China Foreign Exchange Trade System. We took an active part in the innovation of the domestic foreign exchange money market, and entered into the first EUR, CAD and JPY denominated repurchase transaction with domestic RMB bonds pledged as collateral.

In 2020, we received many awards, including the "Exemplary Money Market Dealer in Interbank Local Currency Market", the "Best Quotation Bank for Foreign Currency Lending", the "Best Foreign Currency Lending Member" and the "Best Foreign Currency Repurchase Member" conferred by *China Foreign Exchange Trade System*.

Investment

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

In terms of RMB bond investment, we actively invested in various bonds to fuel the growth of the real economy. We vigorously invested in bonds from areas affected by the pandemic and bonds with proceeds mainly used for pandemic prevention and control, in an effort to provide strong financing support for the pandemic prevention and control. Both the quality and the efficiency of corporate bond investment in serving the real economy kept improving, and the investment fields involved energy, manufacturing, transportation and other important industries. We continued to enhance the management of investment portfolios and took various steps to improve return on investment.

In terms of foreign-currency bond investment, we met Chinese-funded enterprises' financing demands abroad, and strengthened investment in high-rating bonds with a good credit quality, a high credit rating and an ample interest spread. Portfolio was optimised to diversify investment risks and enhance the overall yield and credit quality of the portfolio.

We were selected as the "Top Investment Houses in Asian G3 Bonds" by *The Asset* for the third consecutive year

Financing

We engage in active liability management. We have diversified the sources of funding from different channels and with different tenors through a variety of liability management instruments to support the growth of our business. For example, we issued a total of RMB110,000 million of tier 2 capital bonds in March and April 2019, comprising of a total of RMB90 billion of tier 2 capital bonds due 2029 and a total of RMB20 billion of tier 2 capital bonds due 2034. In July 2019, we innovatively and publicly issued the undated additional tier 1 capital bonds of RMB80.0 billion with an interest of 4.45 per cent. in China's national interbank bond market. We made a non-public issuance of RMB700 million domestic preference

shares in September 2019 with an initial interest of 4.2 per cent. and raised a total of RMB70.0 billion in funds. On 23 September 2020, we issued U.S.$2,900,000,000 3.58 per cent. Non-cumulative Perpetual Offshore preference shares. On 25 September 2020, we issued RMB60,000,000,000 4.20 per cent. 2020 tier-2 capital bonds (first tranche) due 2030. On 16 November 2020, we issued RMB40,000,000,000 2020 tier-2 capital bonds (second tranche), consisting of RMB30,000,000,000 4.15 per cent. fixed rate bonds due 2030 and RMB10,000,000,000 4.45 per cent. bonds due 2035. On 21 January 2021, we issued RMB30,000,000,000 4.15 per cent. 2021 present tier-2 capital bonds due 2031, in China's national interbank bond market. The funds raised will be used to replenish our additional tier 1 and tier 2 capital in accordance with the applicable laws and approvals by the regulatory authorities.

We steadily advanced the online migration of interbank deposits, and actively leveraged the advantages of less contact and high efficiency of online transactions during the COVID-19 pandemic. Our online interbank deposit size ranked first in the market.

Franchise Treasury Business

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

In terms of foreign exchange settlement and sales on behalf of customers and foreign exchange trading, we actively assisted with the pandemic prevention and control, organised our foreign exchange settlement and sales line to establish a green channel at the first time, and gave priority to the foreign exchange settlement and sales business handled for the purpose of pandemic prevention and control. According to the local plans for resumption of work and production, we facilitated the money settlement to corporate customers and extended the settlement date for more than 100 enterprises. We took the initiative to contact foreign trade customers, continuously enriched foreign exchange settlement and sales and foreign exchange trading currencies, improved the trading functions of three major online channels, i.e. online banking, mobile banking and electronic trading platform, and enhanced capability of serving foreign exchange trading customers.

In terms of paper commodities trading, we suspended the opening of new positions and new accounts for some paper commodities transactions in response to the drastic fluctuations of international commodity market, so as to protect the rights and interests of customers and prevent market risks. We strengthened risk warning and investor education, reminded customers to trade rationally, effectively protected the interests of customers, and ensured the smooth operation of paper commodities trading.

In terms of corporate commodity derivative trading, we conducted an in-depth survey of customer demands, advanced key customer marketing and provided targeted hedging trading strategies. In 2020, the number of customers and transaction amount of corporate commodity trading increased steadily. We kept optimising out trading system. We launched the electronic order entry function of spread trading, optimised the delivery scenario of corporate franchise business funds, and improved the business process of corporate commodity trading.

In terms of the over-the-counter bond business, we distributed the special government bonds for pandemic control, China Development Bank's bonds with the theme of "anti-pandemic", "poverty alleviation", "response to climate change" and "protection of the Yangtze River" and the over-the-counter local government bonds in four provinces and cities to investors in the over-the-counter market, contributing to the national fight against the virus and poverty and supporting economic growth. We were rated as an "Exemplary Undertaking Institution in Over-the-Counter Bond Business" and an "Exemplary Underwriting Institution in Over-the-Counter Local Government Bond Business" by China Central Depository & Clearing Co., Ltd.

In the area of foreign institutional investors trading business in the China's Interbank Market, we took an active part in serving foreign institutional investment customers from nearly 60 countries and regions all over the world, and fully meeting their investment and trading needs in China's Interbank Market. We won the "Contribution Award for Opening Up" granted by the National Interbank Funding Centre and the "Exemplary Settlement Agency of Global Connect Business" granted by China Central Depository & Clearing Co., Ltd.

Asset Securitisation Business

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

In 2018, we issued 26 tranches of credit asset securitisation programmes totalling RMB216,806 million in Mainland China. Among them, 16 tranches were individual residential mortgage securitisation programmes, six tranches were non-performing personal loans securitisation programmes, three tranches were non-performing credit card asset securitisation programmes and one tranche was a M&A loan asset securitisation programme.

In 2019, we issued 18 tranches of credit asset securitisation programmes totalling RMB140,680 million in mainland China. Among such tranches, ten were individual residential mortgage securitisation programmes, four were non-performing personal loans securitisation programmes, three were non-performing credit card asset securitisation programmes and one was a corporate loan asset securitisation programme.

The asset securitisation business effectively supported us in disposing of non-performing loans, revitalising stock assets, economising capital occupation and optimising credit structure. In 2020, we issued 18 asset-backed securities amounted to RMB142,600 million, including 10 residential mortgage-backed securities amounted to RMB137,158 million and eight non-performing asset-backed securities amounted to RMB5,442 million.

Precious Metal Business

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

We optimised the supply of physical precious metal financial services from aspects of product innovation and service upgrading, to meet customers' demands for the allocation of precious metal hedging assets. We established the brand and system development mechanism for physical precious metal products advocating traditional culture, red culture and struggling culture, and successfully developed the "Magnificent China" product series. The precious metal products of "Lucky Bag" and the "Bright Future Golden Card" were launched in partnership with the Palace Museum and the National Museum of China. We established partnership with 26 local governments focusing on customised physical products, to advance the marketing of physical precious metals. We advanced the integrated development of multiple channels online and offline and within and outside the Group and managed to build an Internet of Thing platform for physical gold.

In 2020, we ranked first among all dealers in Shanghai Gold Exchange in terms of trading volume, clearing amount and gold leasing scale.

In 2020, we were awarded "Overall Best Gold Bank" by *Asiamoney*. In 2019, we were recognised as the "Star of Precious Metals in China" by *Global Finance* and *Asiamoney*.

FinTech

With a successful progress in ECOS development, we have made more efforts in the construction of 5G, data centre, cloud computing and other new-type digital infrastructure, reinforcing production and operation safety. We accelerated management system and mechanism reforms and relied on the fifth generation of core banking system to boost the development of our digital business forms and digital transformation and upgrade.

In 2020, we were ranked at first place in the banking industry for seven consecutive years in the CBIRC's IT supervision ratings. Seven of our achievements won the annual Banking Technological Development Award from PBOC, which is the most among our peers in the PRC banking industry. In particular, the distributed technology system received the first prize of the above award. We won the "Best Financial Innovation Award" from *The Chinese Banker* for the fifth consecutive year. Besides, it we were rated with multiple FinTech innovation awards, e.g. "Best Internet of Things Implementation in China", "Best Process Automation Implementation in China" and "Best API and Open Banking Implementation" *by The Asian Banker*.

Upgrading Digital Infrastructure

The integration and innovation of technology and business were deepened and the construction of new infrastructure was advanced with remarkable achievements made. A series of new enterprise-level technology platforms with strong service capability and industry-leading advantages were built up based on "5G+ABCDI", i.e. artificial intelligence ("**AI**"), block-chain, cloud computing, big data and internet of things ("**IoT**"), through which a whole-process new technology transformation and application mechanism was established, covering forward-looking trend tracking, study and prediction, key technology research breakthrough and implementation of business scenario innovation.

A new-type IT architecture was fully built, featuring "core business system + open ecosystem". We were the first among our peers to launch a distributed technology platform covering major fields of distributed technology, with an average daily service invocation of nearly 6.0 billion times. The new generation of cloud computing platform was put in place, and the scale of IaaS infrastructure cloud and PaaS platform service cloud has remained in the leading position in the industry. Based on the "cloud computing + distributed" open platform architecture system, an open platform core banking system consisting of the core business infrastructure support framework, account system and products & services has been established. We were the first to complete the most critical debit card account host for downward extension of the core system with the largest data size therein, making a historic breakthrough in IT infrastructure as a large bank.

A platform of big data and artificial intelligence with "in-depth perception and open application" was built up. We were ahead of our peers to enable our big data system to comply with the "Six Integrations" standard as set at China Communications Standards Association TC601. An automatically controllable and industry-leading enterprise-level AI technical system was fully built so as to perform the five core functions of "reading, listening, thinking, speaking and acting" of AI. A one-stop AI modelling workstation was constructed, achieving wide application of mainstream AI technologies such as machine learning, Optical Character Recognition ("**OCR**"), Robot Process Automation, and knowledge map by using facial, voiceprint, iris recognition and other biometric features recognition capabilities.

A high-value brand of "ICBC Blockchain+" was built. By leveraging more than 150 technological breakthrough and filing more than 120 patent applications, we were one of the first batch to pass all certifications under special evaluation for "Trusted Blockchain" by the Ministry of Industry and Information Technology. We were also the first among our peers in the finance industry to obtain the safety evaluation certificate issued by State Cryptography Administration. We took the lead in getting registered with the Cyberspace Administration of China and was awarded with Blockchain 50 by Forbes. We have successively applied the blockchain technology in scenarios in multiple fields including charitable funds, medical services, engineering construction and bank confirmations, etc., directly connecting more than 1000 service institutions.

Developing the capability for comprehensive connection to 5G and IoT. We have established an IoT technology system integrating "end, side and cloud" and built up an enterprise-level audio and video platform to support the innovation of cloud outlets, cloud counters and other contactless customer service modes. We were the first in the industry to complete the independent construction of 5G Messaging as a Platform ("**MaaP**"), and complete piloting in MaaP business with China Mobile.

We were put on the list of National Green Data Centre of 2020. By promoting the planning and construction of new data centre, we effectively undertook the stable operation of information system, massive digital asset storage and intelligent application under high concurrent services.

Establishing Digital Business Form

Relying on the ECOS, we fully established a new digital business form to boost the coordinated development of retail, corporate business, government affairs, rural business, and other fields of business, and realised the replacement of old drivers with new ones in business operation, quality upgrading, and efficiency improvement.

Cloud-based retail business was created. We launched Personal Mobile Banking Version 6.0 to accelerate the "integrated connection" between mobile banking and physical outlets and made innovations in Personal Mobile Banking and WeChat applets to launch the interactive online "cloud outlets" and "cloud studios" of customer managers so as to provide "screen to screen" contactless financial services. Relying on the technology platform based on cloud computing and distributed technology, etc., we provided 24×7 financial services both online and offline.

A chain financial ecosystem was driven. We closely kept up with the pace of transformation and development of leading enterprises in the industry and extended financial services to a wider range of customer base. We delivered accounts, deposits, payments, financing and other financial products to the leading enterprises transforming towards digitalisation in a centralised manner, enabling various online application scenarios of affiliates. We delivered corporate online payment, integrated receipt collection, reconciliation of secure accounts, supply chain financing and other services to large industrial Internet platform. Relying on big data, AI, IoT and other new technologies, we have developed 109 open and inclusive finance services in five major categories. We cooperated with key "Going Global" enterprise customers to facilitate the inclusive service and a prosperous ecosystem. We launched innovative "Cloud Flash Loan", "Power e Loan", "Cross-border Loan" and other products, and stepped up product innovation and scenario expansion to assist enterprises in digital transformation.

Construction of the element market of government affairs was accelerated. We actively participated in the construction of element market and strengthened the cooperation with provincial-level big data centres. We made innovations in financing products by using the government affairs data from multi-dimensional platforms. As the only bank, we participated in the first batch of pilot projects of opening Shanghai's public data and used government procurement data to release the innovative "government procurement loan". We launched smart government services in Beijing, providing 154 kinds of government services such as social security rights and interests inquiry through self-service terminal. We also cooperated to launch "inclusive big data credit loan" based on social security, tax and other government data, so as to realise government convenience and benefit services.

A new rural finance model was created. We established a comprehensive service platform for the digitalisation of rural areas, which is intended to comprehensively provide comprehensive services such as government affairs, finance, rural affairs, Party affairs and finance, etc. in a one-stop way to rural customer groups including rural collective organisations, village-run enterprises and villagers. At present, we have contracted with 500 county-level agricultural and rural government authorities in 154 cities in 31 provinces, cities and autonomous regions. We addressed the "First Mile Problem" of rural customers to whom the services are not accessible and upgraded portable intelligent terminals to offer more than 120 businesses such as new card opening, registration of E-banking and domestic transfer and remittance. We launched an upgraded Personal Mobile Banking, innovated online county-specific services using dialects in different regions, and comprehensively promoted this practice nationwide.

The level of digital risk control in the industry was improved. We were the first among our peers to create a new mode of voiceprint risk control, which uses voiceprint recognition to quickly and insensibly provide customer managers with identification and fraud risk judgment basis, thereby comprehensively improving the level of intelligent risk control and customer service experience. We upgraded the intelligent anti-money laundering system "ICBC Brains" serving the peers, which covers the whole process of anti-money laundering such as know your customer, customer risk classification, large-sum and suspicious transaction monitoring, and provides services to a number of peers and non-banking institutions. We improved the risk big data intelligent service product "ICBC e Security" and developed nine product systems including blacklist service, risk, intelligence, association and dynamic monitoring, which can effectively prevent the risk of external fraud and has served 275 peers and more than 56,000 enterprise customers.

Reinforcing Production Safety

We took the initiative to deal with the new challenges brought by the complex and volatile external situation and technological reforms and reinforced production safety such that the safe production and operation throughout the Group is maintained at a high level and the production and operation capacity of technical support, monitoring and analysis, emergency response, performance planning and management and control were pushed to a new level.

The transformation of production and operation was carried out in an orderly manner. All key applications have been modified to have high availability and a production and operation management system adapted to the route of new technologies such as automatic controlling and distributed technologies has been gradually formed. The business operation monitoring system has been continuously improved, and the monitoring computing efficiency has been raised from minute level to 10-second level. We completed annual information system switching locally and disaster recovery drills non-locally, continuously increasing the support to business continuity.

A group-wide integrated security protection system was established. The information systems of the Group were maintained operating safely and stably and the relevant systems were granted with "Excellent Grade" in the network security rating and protection assessment in 2020, providing customers with safe and stable financial services. We carried out a campaign to improve the security defence capability of the security team, leading in the industry in the security competitions held by the state and regulatory authorities. We increased the output of security capability to provide security-related assistance to the construction of financial industrial level security situation awareness and the research of financial industry network security situation.

Further Reform of Fintech Governance and Management

We deepened the layout of FinTech consisting of "one department, three centres, one subsidiary, and one research institute". We increased FinTech investment and unleashed the vitality of our FinTech innovation.

The organisational structure and layout were optimised. We set up a data intelligence centre to fully leverage our technical edges in the field of big data and keep up with the development of data industry. We set up an information security operation centre ("**SOC**") to advance the transformation of the security protection model into a practical one. We moved ahead with the construction of a professional FinTech team and built a compound financial technology talent team with experienced and skilled members.

The integrated enterprise-university-research output capacity of the Fintech Institute was developed. We cooperated with leading enterprises and scientific research institutes to continuously carry out research and tackle key problems in key core technology fields, making contributions to China's independent innovation in science and technology. We were the first among our peers to issue the White Paper on Application and Development of Blockchain in Finance, White Paper on Banking Innovation in the Era of 5G and other white papers and special research reports. Six of our projects were designated as the pilot innovation and application projects for innovation and supervision of FinTech by the PBOC, the number of the projects is leading in the PRC banking industry.

Our market-oriented technology capacity was strengthened. We output professional technological capacities at all levels to bolster the business innovation of the Group's major customers and undertook project R&D and operation & maintenance for a number of financial institutions and digital transformation enterprises. We enhanced cooperation for mutual benefits, improved the blockchain platform for resettlement fund management and smart social security public service platform, etc. We promoted cooperation experiences in Xiong'an New Area in Jiangsu Province, Beijing and other cities and provinces. We launched 18 financial ecosphere cloud products in the fields of education, medical care and enterprise services, facilitating intelligent government affairs and digital transformation of enterprises.

Internet Finance

We deepened the interconnection of GBC fronts, to serve the digital transformation of the state, government and enterprises, and enhance customers' financial service experience. In 2020, the internet financial transaction amount was RMB640.38 trillion, representing an increase of 1.2 per cent. from the end of 2019; and its proportion rose by 0.6 percentage points from the end of 2019 to 98.7 per cent.

Deepening the Digital Transformation of Government Service

We created 5,287 effective internet scenarios in the fields of intelligent government service, intelligent travel, healthcare and social security, intelligent campus, judicial finance and poverty alleviation through consumption.

Intelligent Government Service

We successfully marketed three provincial-level government service platforms including "Beijingtong", "Wanshitong" and "Shanzhengtong" as well as more than 10 prefecture-level government service platforms such as "i Xuchang". A management platform for rural development fund was developed and launched in cooperation with 13 provincial agricultural and rural departments. We cooperated with 15 local governments to realise the interconnection of mortgage registration systems in 300 cities, to provide comprehensive services for ten types of provident fund business in 12 provinces and 28 cities. The "ICBC e Government Service" product was promoted to provide "government service + financial service", and 31,000 institutional users were expanded accumulatively. Besides, full efforts were made to provide services for large-scale national exhibitions such as the online Canton Fair and China International Import Expo.

Intelligent travel

With three core products, namely, ETC, unconscious payment and QR code payment service for public transportation launched, we served more than 80 million person-times throughout the year. The "e-Ride" mini program was innovatively rolled out, supporting all kinds of scanning codes for ride and covering 200 cities across China.

Healthcare and Social Security

Following the direction of national medical reform, a total of 6.69 million electronic vouchers for medical insurance were issued, and the medical insurance clearing mobile payment platform was launched in 10 provinces and regions. For the medical device industry, we pioneered an innovative service program "Commercial Medical Cloud" integrating the internet, medical devices and finance.

Intelligent Campus

The "Campus Affairs Management Cloud" could provide parents, students and schools with integrated services including payment, management, and epidemic prevention and control, which was promoted in a total of 21,000 schools, driving the increase of 0.84 million new personal customers.

Intelligent Justice

We served the reform of national judicial system and promoted judicial auction platform of ICBC Mall in a total of 258 courts, with a cumulative transaction amount of nearly RMB2.0 billion. Besides, we successfully issued the first "judicial auction" loan through ICBC Mall.

Facilitating the Internet-based Transformation of Industries

ICBC Cloud Platform

The "industry + finance" integrated services are provided, covering six major industries and 19 segments. More than 20 standard cloud services including Education Cloud, Party Building Cloud, Property Management Cloud and HR Cloud were launched, to become "available immediately upon renting".

API Open Platform

The platform provides customised and component-based API services, opening over 120 products that fall in 18 categories and more than 1,900 application interfaces, thus steadily elevating the open capacity and the number of partners.

Ju Fu Tong

The "Ju Fu Tong" scenarios-embedded comprehensive financial services were promoted to serve more than 10 industries including government service, transportation, medical care, tourism and agriculture. Besides, it carried out cooperation with a number of governmental, industrial and internet-based consumption platforms, e.g. 12306.

ICBC Enterprise Mobile Banking

We innovatively launched Enterprise Mobile Banking 3.0 based on the needs of corporate customers, realising new technology applications such as voiceprint authentication, digital-human customer service and OCR recognition. We rolled out functions and products such as Quick Lending for Operation, e-Mortgage Quick Loan, foreign exchange settlement, credit report inquiry and payroll payment. We also introduced online and offline integrated services including account opening reservation, online application reservation and settlement account information change.

Upgrading Online Personal Services

ICBC Mobile

We strengthened the application of technological innovations. We innovatively launched Mobile Banking 6.0, created "Customer Manager Cloud Studio" and "Cloud Outlet", and introduced functions such as vocal print login, AR recognition of foreign currency, and AI intelligent recommendation. We guided the rendering of services in the lower-tiered market. We launched the "Beautiful Home" version for the county market, to provide exclusive financial services for "benefiting the people, benefiting farmers, and benefiting business merchants", which were introduced in 1,509 county sub-branches. We implemented service transformation for the elderly. We continued to optimise the function and experience of "Happy Life" version for elderly persons, to improve the convenience of mobile financial services for the elderly. We promoted the integration of online and offline services. During the COVID-19 pandemic, "contactless" functions were quickly introduced, such as online modification of card passwords, conversion of LPR interest rate and credit card repayment from other banks; online ordering and offline mailing services under 18 scenarios were supported, and 92 kinds of services could be handled at outlets through mobile banking code scanning instead of bank cards.

ICBC Mall

We completed the version 3.0 upgrade project for ICBC Mall and launched interactive shopping experience functions such as face registration and APP aggregate payment. By adhering to featured and quality management, we sped up the layout of key areas such as procurement, travel and cross-border e-commerce, with the transaction amount of "5e+4", i.e. ICBC e Procurement, ICBC e Assets, ICBC e Cross-border, ICBC e Travel, ICBC e Public Welfare, Court Affairs Management Cloud, Car Cloud Loan, Ji Ke Platform and Open Platform featured segments, reaching RMB297.6 billion.

ICBC Link

We refined user experience by upgrading the version 5.0 of ICBC Link and fully optimising the functional layout, process and experience of main interface. The WeChat mini program of customer manager was launched to integrate communication and transaction. In addition, we innovatively launched the "gold red packet", the first gold accumulation model integrating "financial service + social intercourse" in the banking sector.

ICBC e Life

We established an open ecosystem composed of online campaign pages, APP, WeChat applets, WeChat official account, and life account, to realise the transformation of comprehensive operation. We built nine scenarios including "shopping, catering, accommodation, travel, entertainment, education, health, urban services, and poverty alleviation and inclusiveness". The platform developed six special columns of "shopping, credit bonus points, instalment, in-app purchase, poverty alleviation, and recreation".

Mobile Payment

We deeply cultivated the three-party payment and consumption scenarios and participated in the consumption coupon issuance activities sponsored by Beijing and Wuhan municipal governments. We carried out such activities of 22 phases in total, reaching 33.80 million person-times of customers, and successfully issued nearly 5.00 million consumption coupons, directly driving consumption of approximately RMB0.47 billion. During the COVID-19 pandemic period, more than 100 activities on 30 themes were carried out, such as "Cloud Vegetable Buying", "Traveling with Peace of Mind", and "ICBC Food Season".

ICBC e Wallet

The application areas covered government affairs, people's livelihood services, transportation, membership management, house purchase services, consumer finance and other scenarios, serving more than 33.00 million customers. During the pandemic, the "contactless" full online payroll service model was innovatively introduced, with the adoption of full online account opening and payroll payment process. As at the end of 2020, nearly one million personal customers were served under this online payroll service model. We were also awarded the "Best API and Open Banking Implementation" by *The Asian Banker* and the "Best Internet Banking Service" by *Asiamoney*.

Channel Development and Service Enhancement

We fully implemented the coordinated development strategy of serving the country and regions, kept close track of the development trend of regional market economy, and assisted in poverty alleviation. With "stabilising aggregate, optimising layout, making up for deficiencies, and improving efficiency" as the main theme, we comprehensively propelled the strategic adjustment and structural optimisation of outlets, to effectively improve the service coverage of core regions, county markets and high-quality customer groups.

Channel Development

Our outlets were optimised and adjusted effectively. We optimised and adjusted more than 420 outlets in key areas such as the Beijing-Tianjin-Hebei region and the Yangtze River Delta, and established 150 outlets in county markets, including 36 outlets in the poverty-stricken counties such as Jinyang in Sichuan and Nagqu in Tibet. We continued to intensify the renovation of old and core potential outlets and completed the overall renovation of 1,611 outlets to provide strong hardware guarantee for customer service.

We deepened the integration and coordination of online and offline channels. We continued to promote the coordination and integration of physical outlets, mobile banking, remote banking and new channels. We actively responded to the COVID-19 pandemic by providing digital and contactless customer services. The offline intelligent self-service channels can be used to handle 299 personal and corporate services, including more than 130 "medialess" services, covering the services frequently used by customers. We also promoted the collaboration between outlets and online channels. The "Cloud Outlet" service was launched on mobile banking and WeChat mini program, and the full entry of personal customer managers was realised for customers to handle more than 40 items of businesses through "Cloud Outlet". In addition, a new service model of "Customer self-service + Remote operator assistance and verification" was introduced as a pilot program. ICBC Cloud Banking as the first bank launched "Home Agent Customer Service" by Cloud Desktop, and it also comprehensively upgraded ICBC intelligent robot "Gino (Gong Xiao Zhi)" which represents ICBC intelligent services.

We actively explored the transformation and innovation of outlets. By implementing the GBC interconnection strategy in an in-depth manner, we constructed special business scenarios such as "outlets + government service", "outlets + inclusive finance" and "outlets + precious metals", and built more than 1,200 outlets featuring in government service that could provide one-stop services including social security, provident fund, business administration and taxation, hence constantly enhancing the comprehensive service capabilities of outlets.

As at the end of 2020, we had 15,800 outlets, 25,167 self-service banks, 79,672 intelligent devices and 73,059 ATMs with trading volume of RMB5,907.8 billion.

Service Enhancement

We continuously improved the quality of customer services. By building a new ecosystem of operational service process, we promoted an integrated operation model of online channels, offline outlets and back-office centres in 27 types of personal and corporate scenarios, to facilitate the online, collaborative and efficient operation of customer services. With the in-depth development of thematic service enhancement activity "2020 Service First", focus was put on seven working measures including improving the service efficiency of outlets, standardising the service environment of outlets, strengthening the care for employees and the services for benefiting the people, and properly handling complaints, to effectively enhance customers' experience in financial services.

We made every effort to conduct regular epidemic prevention and control. We reinforced regular epidemic prevention and control in the outlets in all aspects, insisted on putting the protection of customer safety and improvement of service supply in the first place, and implemented 30 safety protection measures from the six aspects of outlet preparation before business operation, protection during and after business operation, disinfection management, daily management and employee health protection, so as to maintain the business order of outlets under the regular epidemic prevention and control.

We propelled the upgrading of public welfare service brand of outlets. We continued to upgrade our service brand "ICBC Sharing Stations" for inclusive service and people's benefit, and accelerated the establishment of a five-in-one service system including "sharing and convenience for the people, property alleviation for people's benefit, public welfare for the people, propagating and supporting the people, integrating and benefiting the people". Intimate and meticulous services were also provided for grassroots workers such as sanitation workers and couriers. In addition, nearly one hundred outlets that could provide featured services for the elderly customer groups were established to enhance the comprehensive service capabilities for these customers.

Consumer Protection

We endeavoured to meet the demands for financial services in special periods. We formulated guidelines for consumer protection during the COVID-19 pandemic containment and worked out 33 measures on the "fight against COVID-19" for ICBC's consumer protection, to clarify our consumer protection requirements during the pandemic period. We timely handled problems concerning customer loans, credit card repayment and credit reports during the pandemic period, to ensure that customers' reasonable demands could be properly satisfied as a warm and responsible bank. We also made every effort to appropriately perform such tasks as consumer protection review, financial literacy and education, charging regulation and business publicity, to ensure that the rights and interests of customers could be fully protected in special periods.

We improved consumer protection rules and measures. In accordance with the latest laws, regulations and regulatory requirements, and in combination with the new trends and characteristics of financial consumer behaviour, we revised consumer protection and complaint management measures and drafted financial literacy and education rules for customers to continuously consolidate the foundation of consumer protection system.

In 2020, our "Customer Service and Complaint Management System" recorded a total of 141,000 customer complaints, including 892 personal customer complaints per 100 outlets and 446 personal customer complaints per RMB100 billion assets, involving such businesses as credit card, personal banking and internet finance, which were mainly from areas such as Zhejiang, Sichuan, Hebei, Shandong and Beijing.

International Operations and Diversified Operations

International Operation

We provided comprehensive services for high-level opening-up and accelerated the implementation of the strategy to become the preferred bank for domestic foreign exchange business. The local and foreign-currency integrated operation system was improved, and efforts were made to enhance cross-border financial services and provide targeted and efficient services for the new development pattern. We harnessed our global operation advantages and launched the "Chunrong Action" to support the stability of foreign trade and investment. We supported enterprises' resumption of work and production and helped maintain the stability of global industrial chain and supply chain. We actively fulfiled our social responsibilities in supporting the fight against the COVID-19 pandemic in the countries and regions where our overseas institutions are located.

Corporate Banking: We strengthened financial support for Chinese enterprises "Going Global" and the Belt and Road Initiative. We made coordinated efforts to advance the characteristic financial innovation in free trade zones, promoted the implementation of large-scale and high-quality overseas cooperation projects and provided cross-border customers with "one-stop" comprehensive financial services. We have remained the first place for six consecutive years in terms of the number of deals completed for the cross-border acquisition transactions of Chinese-invested enterprises according to the ranking promulgated by *Refinitiv*. We were among market leaders in Hong Kong IPO underwriting and sponsorship, and the underwriting of overseas bonds and offshore China bonds.

Personal Banking: We endeavoured to enhance public convenience in the Guangdong-Hong Kong-Macau Greater Bay Area by launching the "Bay Area Service Link", "Bay Area Account Link" and "ICBC Pay" services. ICBC e Life created the "Bay Area Life" column and we launched the Greater Bay Area virtual credit card. The functions of overseas mobile payment and online marketing of "ICBC Partner" and "ICBC e Payment" were improved. The discount campaigns of contactless payment were carried out to our customers. Personal consumer finance products, such as "card-and-loan-in-one" and "ICBC e Loan", were successfully launched to enable combined online application for overseas credit card product and loan product.

Internet Financial Services: In tune with the development trend of the internet, we offered overseas individual and corporate customers internet banking, mobile banking and other online channels and provided services for 41 countries and regions, providing services in 14 languages. A full range of financial services, including account query, transfer and remittance, investment and wealth management, and payment, were available to customers.

Financial Market Business: We established a green channel, giving priority to the foreign exchange settlement and sales business handled for pandemic prevention and control, and helped foreign trade and foreign-invested enterprises control exchange rate risk. We established the interbank bond and foreign exchange market business partnership with overseas institutional investors from nearly 60 countries and regions. We participated in the innovation of opening-up project and implemented the first FX Spot program trading in the China Foreign Exchange market. As a market marker and an agency settlement bank, it completed the first batch of direct transactions in the interbank bond market direct investment channel of overseas institutional investor customers and the first transaction in the extended trading hours. We took the lead in underwriting the first panda bond issued by an international multilateral institution for COVID-19 containment and the first panda bond issued by an internet firm.

Global Asset Management Services: We constantly improved the foreign exchange wealth management product system, strived to develop foreign exchange and cross-border RMB products, expanded the scale of management and advisory assets, and actively met the demands of domestic and overseas customers for foreign exchange and cross-border wealth management. The government bond index ETF was successfully issued and formally listed on Singapore Exchange. ICBC Wealth Management ranked first in terms of the market share of cross-border and foreign-currency wealth management products.

Global Custody Service: We seized the opportunity brought by the opening of capital market to achieve rapid expansion of custody asset size and ranked first among domestic banks in terms of the number of qualified foreign institutional investors. To promote opening up to the outside world at a high level, we served as the Depository Receipt bank for the first CDR transaction, and successfully provided custody service for the first batch of "Shenzhen-Hong Kong ETF Connect" funds and the largest overseas listed China government bond ETF fund. We strengthened the risk management of global custody network during the COVID-19 pandemic to guarantee the smooth operation of global custody products.

Cross-border RMB Business: We advanced the building of cross-border RMB product system and multi-scenario cross-border RMB services, enriched RMB-denominated financial products in the offshore market, and actively supported the RMB-denominated settlement, pricing and financing of commodities and foreign contracted projects.

We promoted the innovative development of cross-border RMB business in key regions, including the Lingang New Area in Shanghai, Guangdong-Hong Kong-Macau Greater Bay Area and Hainan Free Trade Port. We stepped up our efforts to develop key offshore RMB markets and boost the overall capability of offshore RMB services. We continuously improved the features of cross-border e-business service platform and the quality and efficiency of customer services. In 2020, the cross-border RMB business volume exceeded RMB7.2 trillion.

We continued to improve our global network. Auckland Branch officially opened, and Panama Branch was granted a banking licence. At the end of 2020, we established 426 overseas institutions in 49 countries and regions and indirectly covered 20 African countries as a shareholder of Standard Bank Group. We had 124 institutions in 21 countries along the Belt and Road. We also established correspondent banking relationships with 1,436 overseas banking institutions in 143 countries and regions, making our service network covering six continents and important international financial centres around the world.

As at 31 December 2020, total assets of our overseas institutions (including overseas branches, subsidiaries and investments in Standard Bank Group Limited) were U.S.$422,079 million, representing an increase of U.S.$16,396 million or 4.0 per cent. as compared to 31 December 2019. The total assets of our overseas institutions (including overseas branches, subsidiaries and investments in Standard Bank Group Limited) also accounted for 8.3 per cent. of our total assets as at 31 December 2020, representing a decrease of 1.1 percentage points as compared to 31 December 2019. Profit before tax of overseas institution for the year ended 31 December 2020 amounted to U.S.$3,017 million, representing a decrease of U.S.$1,073 million or 26.2 per cent. as compared to the year ended 31 December 2019. Profit before tax of our overseas institutions of for the year ended 31 December 2020 also accounted for 5.0 per cent. of our profit before tax, representing a decrease of 2.3 percentage points as compared to the year ended 31 December 2019.

As at 31 December 2020, the total loans of our overseas institutions amounted to U.S.$202,844 million, and total deposits were U.S.$148,221 million, with the latter increasing by U.S.$13,472 million or 10.0 per cent. as compared to 31 December 2019.

Major Indicators for our Overseas Institutions

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

	Assets		**Profit before tax**		**Number of institutions**	
	As at 31 December 2020	**At 31 December 2019**			**As at 31 December 2020**	**At 31 December 2019**
			2020	**2019**		
	(in U.S.$ millions)					
Hong Kong and Macau	204,181	197,279	1,565	2,105	108	107
Asia-Pacific region (except Hong Kong and Macau)	118,253	108,867	950	1,139	90	90
Europe	89,030	80,926	302	21	75	79
America	51,106	51,836	42	449	152	151
African Representative Office	–	–	–	–	1	1
Eliminations	(44,378)	(37,213)				
Subtotal	418,192	401,695	2,859	3,714	426	428
Investment in Standard Bank[(1)]	3,887	3,988	158	376		
Total	422,079	405,683	3,017	4,090	426	428

Note:

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

Diversified Operation

ICBC Credit Suisse Asset Management

Focusing on the reform and development of capital market, ICBC Credit Suisse Asset Management actively served the real economy and met the diversified investment demands of customers. Operating quality and efficiency continuously improved, and the total amount of assets under management continued to maintain a sound momentum of steady growth. It performed well in investment and ranked first in terms of the overall return on investment of the stock funds under management. Business structure was continuously improved, and the scale of annuity funds, social security funds and other pension funds under management totalled RMB527.4 billion, an increase of 44.2 per cent. over the end of 2019, continuing to stay ahead in the industry. The scale of non-monetary funds grew quickly, of which stock funds increased by 103 per cent.

Product and service innovation was advanced steadily. ICBC Credit Suisse Asset Management continued to strengthen the development of equity and hybrid products, took the lead in the industry to issue STIB 50 ETF fund, and made every effort to support the building of the Science and Technology Innovation Board. It continuously improved customer services, upgraded the features of the ICBC Credit Suisse Fund APP, and launched the Fund Wealth in ICBC Mobile, providing customers with a one-stop fund investment services such as query, investment, review, use and learning.

It actively enhanced investor education. Its investor education base was included in the list of state-level securities and futures investor education bases, which was the first state-level internet investor education base in the fund industry and rated as an "Advanced Unit in Southbound Stock Connect Investor Education in 2020".

ICBC Leasing

ICBC Leasing deepened the coordination with the Group's strategy, actively integrated into the Group's "1 + N" comprehensive financial service system, and continuously improved the professional customer service capability, the ability of serving the Group's strategy and core competency. It continued to strengthen business expansion and business model innovation in Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region.

Its aircraft leasing line specially optimised asset layout, and actively improved the efficiency of managing existing assets. At the end of 2020, it owned and managed more than 780 aircrafts, and served 82 renowned airline companies around the world. Its business spanned over Europe, Asia-Pacific region, North America, South America and Africa, etc.

In terms of shipping leasing, ICBC Leasing focused on high-quality customers and flagship enterprises in the industry and strengthened the analysis and judgment of the situations of global shipping market. Both new and potential projects increased steadily. Its vessel assets covered bulk carriers, container ships, oil tankers, gas ships, luxury cruise ships and other high value-added assets, providing domestic and foreign customers with diverse service modes, such as financial leasing, operating leasing, joint leasing, index-linked leasing arrangement, and parcel transportation service.

In terms of equipment leasing, ICBC Leasing steadily enhanced the professional customer service capability, continuously consolidated the competitive advantages in transport, energy, large-size equipment and other fields, and increased the support for clean energy, intelligent transport, high-end equipment manufacturing and other fields. It actively explored the business innovation mode in the fields such as culture and sports, healthcare, green energy. ICBC Leasing was rated as the "Best Financial Leasing Company of the Year" by the *Financial Times* for three consecutive years, and the "Best Financial Leasing Company of the Year" by the *Securities Times*.

ICBC-AXA

ICBC-AXA strengthened its guidance role of the "High Growth in Value" strategy, coordinated the COVID-19 containment and business development, and implemented the social responsibilities of risk protection. In support of fighting against the pandemic, ICBC-AXA took the initiative to design and provide the exclusive "Medical Angel" life insurance product for the medical staff in Hubei Province. A total of 2,258 cases were handled in 2020, with a total compensation of RMB40.56 million. It donated a total sum assured of RMB500 billion insurance products for people at the front line of fighting against COVID-19 pandemic.

ICBC-AXA actively advanced the optimisation of business mix. It adhered to the transformation of regular payment business, and its regular premium income hit a record high. As residents raised awareness about the importance of health insurance, it seized the opportunity to develop health insurance business. It paid close attention to the changes in the capital market, optimised the investment portfolio, enhanced the risk management of investment assets, and achieved a significant improvement in investment returns.

By the end of 2020, ICBC-AXA had 1.44 million in-force individual customers, representing an increase of 9.7 per cent. over the end of 2019, remaining as the first bank-affiliated insurance company in terms of premium income. It won the "Ark Award for Model Deeds in COVID-19 Containment of China's Insurance Industry in 2020", the "Best Insurance Company in Supporting COVID-19 Containment in 2020" and the "Brand Influence Insurance Company in 2020", and ranked first in the comprehensive competitiveness list of foreign-invested life insurance companies in 2020.

ICBC International

ICBC International made overall plans to promote the regular pandemic prevention and control and the business development, provided sound customer service for listed companies and investors, ensured 24-hour trading services for customers, and stabilised market sentiment.

The four business segments, i.e. investment banking, sales and trading, investment management and asset management, achieved smooth development. ICBC International was among the highest echelon of the market in terms of the underwriting scale of IPO business, and stayed ahead in the market in the underwriting scale of overseas bonds. It was promoted to the Class-B securities firms on the Hong Kong Stock Exchange. It was the first among domestic peers to launch cross-border two-way RMB fund pool business. Its market research was awarded the "Best Overseas Analyst Team" in the Greater China by the *Institutional Investor*.

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

As one of the first pilot banks to conduct debt-for-equity swap authorised by the State Council, ICBC Investment actively and steadily expanded and improved market-oriented debt-for-equity swap business, made strategic arrangements with a focus on the supply-side structural reform, and diversified fund-raising channels. It served the high-quality development of manufacturing industry, the mixed ownership reform of central enterprises and the development of private economy, and continuously improved the quality and efficiency in serving the real economy.

It was the first in the industry to launch a special fund for the prevention and control of COVID-19 pandemic, in a bid to help enterprises resume work and production. It launched the innovative mode of first investing in the headquarters of central enterprises through debt-for-equity swap and made every effort to support China's energy reform.

ICBC Investment gave full play to the role of shareholder and sent directors and supervisors to the shareholding subsidiaries in which it conducted debt-for-equity swap. It took an active part in these companies' corporate governance and provided comprehensive financial services for them by bank-company interconnection and investment-loan interconnection and energetically supported the reform and development of these enterprises.

ICBC Wealth Management

In light of the New Rules on Asset Management and other regulatory requirements, ICBC Wealth Management continuously exploited products and services and enhanced investment research and the building of core risk control capability. It served the demands of 25.68 million individual customers, 89,000 private banking customers and 722,000 corporate customers for asset allocation and wealth management and achieved leap-forward development starting from scratch to the management scale of more than one trillion.

ICBC Wealth Management kept improving its business structure and product portfolio and advanced the steady growth of the proportion of non-cash, hybrid and medium to long-term products. It released the first net worth-based product linked to options in the industry. It was the first among all banks to launch a wide-spectrum unsecured bond index and an open USD-denominated wealth management product. The "ICBC CSOP FTSE Chinese Government Bond Index ETF" was officially listed on Singapore Exchange.

ICBC Wealth Management actively enhanced management capability, continuously consolidated the core advantages in fixed-income and project investment, actively cultivated multi-asset, equity, quantified and cross-border investment capability, advanced the steady growth of net worth of overall products and constantly improved the applicability of serving the real economy.

In light of the Group's uniform risk appetite, ICBC Wealth Management built a comprehensive risk control compliance framework to strengthen the risk prevention and control for core business and key fields and quickened the building of risk management platform.

It won a number of industry prestigious awards, including "2020 Golden Bull Award for Banking Wealth Management". The numbers of subscribers for the WeChat public account of "ICBC Wealth Management" exceeded 100,000.

MAJOR CONTROLLED SUBSIDIARIES AND MAJOR EQUITY PARTICIPATING COMPANY

Major Overseas Subsidiaries

ICBC (ASIA)

ICBC (Asia) is our wholly owned Hong Kong registered bank and has an issued share capital of HK$44,188 million. It provides comprehensive commercial banking services and its major businesses include commercial credit, trade finance, investment service, retail banking, E-banking, custody, credit card, receiving bank services for IPOs and dividend distribution. As at 31 December 2020, ICBC (Asia) recorded total assets of U.S.$120,113 million and net assets of U.S.$17,773 million. It generated a net profit of U.S.$713 million during the year ended 31 December 2020.

ICBC International

ICBC International, a licensed integrated platform for financial services in Hong Kong that is wholly owned by us, has a paid-up capital of HK$4,882 million. It mainly renders a variety of investment services, including corporate finance, investment management, sales and trading, and asset management. As at 31 December 2020, ICBC International recorded total assets of U.S.$7,948 million and net assets of U.S.$1,630 million. It generated a net profit of U.S.$225 million during the year ended 31 December 2020.

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

ICBC (Macau) is the largest local legal banking entity in Macau. It has a share capital of MOP589 million, in which we hold an 89.33 per cent. stake. ICBC (Macau) mainly engages in comprehensive commercial banking services such as deposit, loan, trade finance and international settlement. As at 31 December 2020, ICBC (Macau) recorded total assets of U.S.$50,777 million and net assets of U.S.$3,540 million. It generated a net profit of U.S.$298 million during the year ended 31 December 2020.

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

ICBC (Indonesia) is a fully-licensed commercial banking subsidiary registered in Indonesia, with a paid-up capital of IDR3.71 trillion, of which we hold a 98.61 per cent. stake. ICBC (Indonesia) mainly engage in financial services such as deposit, loan and trade finance, settlement, agency services, inter-bank borrowing and lending and foreign exchange. As at 31 December 2020, ICBC (Indonesia) recorded total assets of U.S.$3,967 million and net assets of U.S.$429 million. It generated a net profit of U.S.$8.51 million during the year ended 31 December 2020.

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

ICBC (Malaysia) is our wholly-owned subsidiary established in Malaysia. With a paid-up capital of MYR833 million, it is able to provide a full range of commercial banking services. As at 31 December 2020, ICBC (Malaysia) recorded total assets of U.S.$1,019 million and net assets of U.S.$302 million. It generated a net profit of U.S.$10.11 million during the year ended 31 December 2020.

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

ICBC (Thai), our subsidiary in Thailand, has a share capital of THB20,132 million, of which we hold a 97.86 per cent. stake. ICBC (Thai) holds a comprehensive banking licence and provides various services including deposit, loan, trade finance, remittance, settlement, leasing and consulting. As at 31 December 2020, ICBC (Thai) recorded total assets of U.S.$9,005 million and net assets of U.S.$1,119 million. It generated a net profit of U.S.$79.63 million during the year ended 31 December 2020.

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

ICBC (Almaty), our wholly-owned subsidiary, was incorporated in Kazakhstan with a share capital of KZT8,933 million. The primary commercial banking services it engages in include deposit, loan, international settlement and trade finance, foreign currency exchange, guarantee, account management, E-banking and bank card. As at 31 December 2020, ICBC (Almaty) recorded total assets of U.S.$514 million and net assets of U.S.$72 million. It generated a net profit of U.S.$10.45 million during the year ended 31 December 2020.

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

ICBC (New Zealand) is our wholly-owned subsidiary with a paid-up capital of NZD234 million. ICBC (New Zealand) provides corporate and personal banking services such as account management, transfer and remittance, international settlement, trade finance, corporate credit, residential mortgages and credit card business. As at 31 December 2020, it recorded total assets of U.S.$1,477 million and net assets of U.S.$195 million. It generated a net profit of U.S.$9.05 million during the year ended 31 December 2020.

ICBC (Europe)

ICBC (Europe), our wholly owned subsidiary, was incorporated in Luxembourg with a paid-up capital of EUR437 million. It has several institutions including Paris Branch, Brussels Branch, Amsterdam Branch, Milan Branch, Madrid Branch, Warsaw Branch and Greece Representative Office, which mainly offer financial services including loan, trade finance, settlement, treasury, investment banking, custody, franchise wealth management, etc. As at 31 December 2020, ICBC (Europe) recorded total assets of U.S.$6,830 million and net assets of U.S.$761 million. It made a net loss of U.S.$14.17 million during the year ended 31 December 2020.

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

ICBC (London), our wholly owned subsidiary, was incorporated in the United Kingdom with a paid-up capital of U.S.$200 million. It provides banking services such as deposit and exchange, loan, trade finance, international settlement, funds clearing, foreign exchange trading and retail banking services. As at 31 December 2020, ICBC (London) recorded total assets of U.S.$2,009 million and net assets of U.S.$457 million. It generated a net profit of U.S.$10.59 million during the year ended 31 December 2020.

ICBC Standard Bank Plc ("ICBC Standard Bank")

ICBC Standard Bank, our subsidiary in the United Kingdom, has an issued share capital of U.S.$1,083 million, in which we hold a direct 60 per cent. stake. ICBC Standard Bank mainly provides global commodity trading businesses such as base metals, precious metals, commodities and energy as well as global financial markets businesses such as exchange rate, interest rate and credit. As at 31 December 2020, ICBC Standard Bank recorded total assets of U.S.$27,739 million and net assets of U.S.$1,303 million. It generated a net profit of U.S.$117 million during the year ended 31 December 2020.

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

Bank ICBC (JSC), our wholly owned subsidiary, was incorporated in Russia with a share capital of RUB10.81 billion. It mainly provides a full spectrum of corporate banking services including corporate and project loan, trade finance, deposit, settlement, securities brokerage, custody, franchise treasury business and securities trading, foreign currency exchange, global cash management, investment banking and corporate financial consulting, as well as personal banking services. As at 31 December 2020, Bank ICBC (JSC) recorded total assets of U.S.$1,067 million and net assets of U.S.$164 million. It generated a net profit of U.S.$8.63 million during the year ended 31 December 2020.

ICBC Turkey Bank Anonim Şirketi ("ICBC (Turkey)")

ICBC (Turkey), our controlled subsidiary in Turkey, has a share capital of TRY860 million, in which we hold a 92.84 per cent. stake. With licences for commercial banking, investment banking and asset management, ICBC (Turkey) provides corporate customers with integrated financial services including deposit, project loan, syndicated loan, trade finance, small and medium-sized enterprise loan, investment

and financing advisory services, securities brokerage and asset management. At the same time, it provides personal customers with financial services such as deposit, consumption loan, residential mortgages, credit card and E-banking. As at 31 December 2020, ICBC (Turkey) recorded total assets of U.S.$3,391 million and net assets of U.S.$196 million. It generated a net profit of U.S.$13.21 million during the year ended 31 December 2020.

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

ICBC (Austria), is our wholly-controlled subsidiary in Austria, has a share capital of EUR200 million. ICBC (Austria) provides financial services such as corporate deposits, loans, trade finance, international settlement, cash management, cross-border RMB business, foreign exchange transactions, and financial advisory for cross-border investment and financing. As at 31 December 2020, ICBC (Austria) recorded total assets of U.S.$774 million and net assets of U.S.$237 million. It made a net loss of U.S.$3.28 million during the year ended 31 December 2020.

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

ICBC (USA), our controlled subsidiary in the United States, has a paid-up capital of U.S.$369 million, of which we hold an 80 per cent. stake. Holding a fully-functional commercial banking licence registered in the USA Federal International Qualification Authentication Corp, ICBC (USA) is a member of Federal Deposit Insurance Corporation, providing corporate and retail banking services such as deposit, loan, settlement and remittance, trade finance, cross-border settlement, cash management, E-banking and bank card services. As at 31 December 2020, ICBC (USA) recorded total assets of U.S.$2,901 million and net assets of U.S.$390 million. It suffered a net loss of U.S.$51.33 million during the year ended 31 December 2020.

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

ICBCFS, our wholly owned subsidiary in the United States, has a paid-up capital of U.S.$50 million. It mainly specialises in securities clearing and financing business in Europe and America, and offers securities brokerage services including securities clearing, financing and custody for institutional customers. As at 31 December 2020, ICBCFS recorded total assets of U.S.$23,117 million and net assets of U.S.$97 million. It generated a net profit of U.S.$5.19 million during the year ended 31 December 2020.

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

ICBC (Canada) is our subsidiary in Canada with a paid-up capital of CAD208.00 million, of which we hold an 80 per cent. stake. Holding a full-functional commercial banking licence, ICBC (Canada) provides various corporate and retail banking services such as deposit, loan, settlement, remittance, trade finance, foreign exchange trading, funds clearing, cross-border RMB settlement, RMB currency notes, cash management, E-banking, bank card and investment and financing consultation. As at 31 December 2020, ICBC (Canada) recorded total assets of U.S.$1,944 million and net assets of U.S.$278 million. It generated a net profit of U.S.$1.45 million during the year ended 31 December 2020.

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

ICBC (Mexico), our wholly owned subsidiary in Mexico, has a paid-up capital of MXN1,597 million. Holding a full-functional commercial banking licence, ICBC (Mexico) offers corporate deposit, loan, international settlement, trade finance, foreign exchange trading and other services. As at 31 December 2020, ICBC (Mexico) recorded total assets of U.S.$201 million and net assets of U.S.$32 million. It suffered a net loss of U.S.$18.09 million during the year ended 31 December 2020.

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

ICBC (Brasil), our wholly-owned subsidiary in Brazil, has a paid-up capital of BRL202 million. ICBC (Brasil) offers commercial banking and investment banking services such as deposit, loan, trade finance, international settlement, fund transaction, franchise wealth management and financial advisory. As at 31 December 2020, ICBC (Brasil) recorded total assets of U.S.$270 million and net assets of U.S.$39 million. It suffered a net loss of U.S.$2.34 million during the year ended 31 December 2020.

ICBC Peru Bank ("ICBC (Peru)")

ICBC (Peru), our wholly owned subsidiary in Peru, has a paid-up capital of U.S.$120 million. Holding a full-functional commercial banking licence, ICBC (Peru) offers corporate deposit, loan, financial leasing, international settlement, trade finance, foreign exchange trading and E-banking and other services. As at 31 December 2020, ICBC (Peru) had total assets of U.S.$824 million and net assets of U.S.$106 million. It generated a net profit of U.S.$8.84 million during the year ended 31 December 2020.

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

ICBC (Argentina), our wholly owned subsidiary in Argentina, has a paid-up capital of ARS18.8 million. With a commercial banking licence, ICBC (Argentina) provides a full range of commercial banking services including working capital loan, syndicated loan, structured financing, trade finance, personal loan, auto loan, spot/forward foreign exchange trading, financial markets, cash management, investment banking, bond underwriting, asset custody, leasing, international settlement, E-banking, credit card and asset management. As at 31 December 2020, ICBC (Argentina) recorded total assets of U.S.$4,151 million and net assets of U.S.$663 million. It generated a net profit of U.S.$112 million during the year ended 31 December 2020.

Major Domestic Subsidiaries

ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management, our subsidiary, has a paid-up capital of RMB200 million, of which we hold an 80 per cent. stake. It mainly engages in fund placement, fund distribution, asset management and such other businesses as approved by the CSRC, and owns many business qualifications including mutual fund, QDII, enterprise annuity, specific asset management, domestic and overseas investment manager of social security fund, Renminbi Qualified Foreign Institutional Investor, insurance asset management, non-listed asset management, occupational annuity and manager of basic pension insurance investment. It is one of the fund companies with the most comprehensive qualifications in the industry. At the end of 2020, ICBC Credit Suisse Asset Management managed a total of 164 mutual funds and nearly 600 enterprise annuity accounts and segregated management accounts as well as non-listed asset portfolios and its total assets under management amounted to RMB1.41 trillion. As at 31 December 2020, it recorded total assets of RMB14,924 million and net assets of RMB11,303 million. It generated a net profit of RMB1,973 million during the year ended 31 December 2020.

ICBC Leasing

ICBC Leasing, our wholly owned subsidiary, has a paid-up capital of RMB18.0 billion. It mainly operates the financial leasing of large-scale equipment in critical fields such as aviation, shipping, energy and power, rail transit and equipment manufacturing. It also engages in various financial and industrial services including rental transfer, investment fund, securitisation of investment assets, assets trading and assets management. As at 31 December 2020, ICBC Leasing recorded total assets of RMB281,417 million and net assets of RMB38,148 million. It generated a net profit of RMB3,513 million during the year ended 31 December 2020.

ICBC-AXA

ICBC-AXA, a subsidiary in which we hold a 60 per cent. stake and has a paid-up capital of RMB12,505 million. ICBC-AXA engages in a variety of insurance businesses such as life insurance, health insurance and accident insurance, and re-insurance of these businesses, businesses in which use of insurance capital is permitted by laws and regulations of the State and other businesses approved by the CBIRC. As at 31 December 2020, it recorded total assets of RMB209,523 million and net assets of RMB16,175 million. It generated a net profit of RMB1,451 million during the year ended 31 December 2020.

ICBC Investment

With a paid-in capital of RMB12.0 billion, ICBC Investment is our wholly-owned subsidiary and one of the first pilot banks in the PRC authorised by the State Council to conduct debt-for-equity swap. It holds the franchise licence of non-bank financial institution and is mainly engaged in debt-for-equity swap and the supporting business. As at 31 December 2020, ICBC Investment recorded total assets of RMB145,625 million and net assets of RMB15,135 million. It generated a net profit of RMB1,122 million during the year ended 31 December 2020.

ICBC Wealth Management

ICBC Wealth Management is our wholly-owned subsidiary with a paid-in capital of RMB16 billion. It engages mainly in the issuance of wealth management products, wealth management advisory and consulting service and other activities approved by the CBIRC and is qualified for general derivatives trading and foreign exchange business. As at 31 December 2020, ICBC Wealth Management recorded total assets of RMB17,861 million and net assets of RMB16,745 million. It generated a net profit of RMB408 million during the year ended 31 December 2020.

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

Majority Equity Participation Company

Standard Bank Group Limited

Standard Bank Group Limited is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. We hold 20.06 per cent. of the ordinary shares of Standard Bank Group Limited as at 31 December 2020. 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. As at 31 December 2020, Standard Bank Group Limited recorded total assets of ZAR2,532,940 million and net assets of ZAR215,272 million. It generated a net profit of ZAR14,513 million during the year ended 31 December 2020.

IT-BASED BANKING DEVELOPMENT

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

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

INTELLECTUAL PROPERTY RIGHTS

In 2020, we ranked at first place in the banking industry for seven consecutive years in CBIRC's IT supervision ratings. Seven of our achievements won the annual Banking Technological Development Award from PBOC, which is the most among our peers in the PRC banking industry. We are also the registered owner of the domain names of our websites such as "www.icbc.com.cn", "www.icbc.com.hk" and "www.icbc.asia". The trademark "ICBC 中国工商银行" (individually and collectively with our Chinese and/or English name), for which we have the copyright, has been widely used on our signboards, badges, publicity materials and internal documents. See also "– *IT-Based Banking Development*" above.

HUMAN RESOURCES MANAGEMENT

As at 31 December 2020, we had a total of 0.44 million employees, including 417,000 employees in domestic branches, 7,000 employees in domestic subsidiaries and 16,000 employees in overseas institutions.

We optimised our institutions and employees. By adhering to the human resource efficiency improvement ideas of "serving strategy, scientific configuration, reducing consumption and enhancing efficiency, cultivating talents, and stimulating vitality", we effectively guaranteed the input of human resources in key strategic areas, business lines and professional talent teams. Our head office's organisational structure and branch system was optimised and adjusted to practically promote the construction of an intensive operation centre and steadily implement the centralisation of domestic and overseas businesses. Besides, we deepened the optimisation and adjustment of sub-branch layout, streamlined the setting of urban sub-branches and strengthened the construction of county-level sub-branches, to boost efficiency improvement with intensive human resources.

We kept improving the quality and effectiveness of education and training. Focusing on strategic transmission, key projects were developed, such as the "No. 1 Personal Bank" and the "Preferred Bank for Domestic Foreign Exchange Business". Concentrating on talent training, we carried out trainings on job knowledge and skills, new products, new business and new process promotion, and deepened the implementation of reading activities for all employees, to explore advanced trainings covering the entire career cycle and serve the growth of employees' performance. In 2020, we took the initiative to seek changes in response to the pandemic prevention and control, and actively promoted such training modes as live streaming classroom, e-learning and online training camp. A total of 31,000 online and offline training sessions were held, and 5.89 million person-times were trained in 2020.

We also integrated corporate culture into business development. In 2020, we hosted the second "ICBC Innovation Contest", aiming at fostering innovation culture for all employees. We initiated a cultural activity themed with "red finance", to summarise "July 1st Achievements" as a gift for the 100th Anniversary of the Founding of the Communist Party of China. In addition, thematic cultural activities such as "ONE ICBC ONE FAMILY" and "ICBC Culture Stories" were organised to gather the strength of the whole group and carry forward the spirit of the new age.

MAJOR CUSTOMERS

In 2020, the aggregate interest income and other operating income from top five customers of the Bank did not exceed 30 per cent. of the interest income and other operating income of the Bank for the year.

LEGAL AND REGULATORY PROCEEDINGS

We were involved in several legal disputes in the ordinary course of business. Most of these cases were initiated by us to recover NPLs, while some were related to disputes with clients. As of 31 December 2020, the amount of cases pending judgements or arbitrations awards against us amounted to RMB4,928 million and we do not expect any material adverse effect from the above-mentioned cases on our business, financial position or operating results.

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

DESCRIPTION OF CERTAIN BRANCHES OF THE BANK

We operate principally in Mainland China, and has an overseas network covering 49 countries and regions with 426 institutions as at 31 December 2020 (including Hong Kong, Macau, Singapore, Frankfurt, Luxembourg, Seoul, Tokyo, London, Almaty, Jakarta, Moscow, Doha, Dubai, Abu Dhabi, Sydney, Toronto, Kuala Lumpur, Hanoi, Bangkok, New York, Karachi, Mumbai, Phnom Penh, Vientiane, Lima, Buenos Aires, Sao Paulo, Auckland, Kuwait City, Mexico City, Yangon, Riyadh, Istanbul, Prague, Manila, Vienna, Greece and Zurich). For further details on the principal subsidiaries of the Bank, please refer to the section "*Description of the Bank – Controlled Subsidiaries and Major Equity Participating Company*".

DESCRIPTION OF HONG KONG BRANCH

We commenced operations in Hong Kong in 1995 through our branch setup in Hong Kong. The registered office of the Hong Kong Branch is at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong.

Business Activities

The Hong Kong Branch is a fully licensed bank in Hong Kong and currently focuses on the development of its wholesale banking business. A broad range of financial services are offered by the Hong Kong Branch to serve clients' specific needs, including:

- trade finance including issuance of letters of credit, shipping guarantees, trust receipts, inward collections, advising and confirmation of letters of credit, letters of credit negotiation, outward collections, bill discounts and packing loans;
- corporate finance in the forms of commercial paper issuance, bond underwriting and derivative dealings;
- treasury products, foreign exchange and derivative products, capital markets services, risk management as well as asset and liability management consultancy services;
- lending services including syndicated loans, commercial lending and mortgage lending;
- deposits and remittances; and
- issuance of certificates of deposit.

Hong Kong Regulatory Guidelines

The banking industry in Hong Kong is regulated under the provisions of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (the "**Banking Ordinance**") and subject to the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only banks which have been granted a banking licence by the HKMA may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**licensed banks**").

The provisions of the Banking Ordinance are implemented by the HKMA, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The HKMA supervises licensed banks through, inter alia, a regular information gathering process, the main features of which are as follows:

- each licensed bank must submit a monthly return to the HKMA setting out the assets and liabilities of its principal place of business in Hong Kong and all local branches and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, unless the HKMA permits returns to be made at less frequent intervals;

- the HKMA may order a licensed bank, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary in the interests of the depositors or potential depositors of the licensed bank concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The HKMA may also require a report by a licensed bank's auditors (approved by the HKMA for the purpose of preparing the report) confirming whether or not such information or return is correctly compiled in all material respects;

- licensed banks may be required to provide information to the HKMA regarding companies in which they have an aggregate of 20% or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller (as defined in the Banking Ordinance), with common features in their names or a concert party arrangement to promote the licensed bank's business;

- licensed banks are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations;

- the HKMA may direct a licensed bank to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the licensed bank or the adequacy of the systems of control of the licensed bank or other matters as the HKMA may reasonably require; and

- the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any licensed bank, and in the case of a licensed bank incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such licensed bank. Such inspections are carried out by the HKMA on a regular basis.

In addition, we are also subject to the FIRO. Please refer to "*Risk Factors – Risks relating to the Notes issued under the Programme – The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch*" on page 32 for further information.

ANNOUNCEMENT OF OUR UNAUDITED AND UNREVIEWED CONSOLIDATED FINANCIAL RESULTS AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2021

On 29 April 2021, we announced our unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2021. We also reported additional financial and operating indicators. The unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2021 are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate our financial condition, results of operations and results. Such financial information should not be taken as an indication of our expected financial condition, results of operations and results for the full financial year ending 31 December 2021.

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

	Three months ended 31 March 2020	Three months ended 31 March 2021
	(in RMB millions)	
Interest income	271,198	278,781
Interest expense	(110,244)	(112,180)
Net interest income	160,954	166,601
Fee and commission income	43,406	44,896
Fee and commission expense	(2,790)	(3,732)
Net fee and commission income	40,616	41,164
Net trading income/(expense)	(6,570)	2,371
Net (loss)/gain on financial investments	10,883	112
Other operating (expense)/income, net	304	3,872
Operating income	206,187	214,120
Operating expenses	(39,979)	(43,457)
Impairment losses on assets	(59,492)	(62,862)
Operating profit	106,716	107,801
Share of profits of associates and joint ventures	404	619
Profit before taxation	107,120	108,420
Income tax expense	(22,107)	(22,123)
Profit for the period	85,013	86,297

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

	As at 31 December 2020 (Audited)	As at 31 March 2021 (Unaudited)
	(in RMB millions)	
Assets		
Cash and balances with central banks	3,537,795	3,619,392
Due from banks and other financial institutions	1,081,897	929,245
Derivative financial assets	134,155	147,563
Reverse repurchase agreements	739,288	1,002,145
Loans and advances to customers	18,136,328	18,967,167
Financial investments	8,591,139	8,716,755
Financial investments measured at fair value through profit or loss	784,483	822,584
Financial investments measured at fair value through other comprehensive income	1,540,988	1,612,123
Financial investments measured at amortised cost	6,265,668	6,282,048
Investments in associates and joint ventures	41,206	41,302
Property and equipment	286,279	285,666
Deferred income tax assets	67,713	66,619
Other assets	729,258	591,695
Total assets	33,345,058	34,367,549
Liabilities		
Due to central banks	54,974	55,959
Financial liabilities designated as at fair value through profit or loss	87,938	100,964
Derivative financial liabilities	140,973	119,028
Due to banks and other financial institutions	2,784,259	2,961,226
Repurchase agreements	293,434	312,339
Certificates of deposit	335,676	319,872
Due to customers	25,134,726	25,944,333
Income tax payable	89,785	100,844
Deferred income tax liabilities	2,881	2,571
Debt securities issued	798,127	837,569
Other liabilities	712,770	618,612
Total liabilities	30,435,543	31,373,317
Equity		
Equity attributable to equity holders of the parent company	356,407	356,407
Share capital	225,819	225,819
Other equity instruments	800,718	799,371
Reserves	1,510,558	1,596,080
Retained profits	2,893,502	2,977,677
Non-controlling interests	16,013	16,555
Total equity	2,909,515	2,994,232
Total equity and liabilities	33,345,058	34,367,549

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

	For the three months ended 31 March	
	2020	2021
	(in RMB millions)	
Net cash flows from operating activities	1,907,890	612,669
Net cash flows from investing activities	(310,983)	(38,230)
Net cash flows from financing activities	(17,460)	31,433
Net increase in cash and cash equivalents	1,579,447	605,872
Cash and cash equivalents at beginning of the period	1,450,413	1,791,122
Effect of exchange rate changes on cash and cash equivalents	11,804	(3,534)
Cash and cash equivalents at end of the period	3,041,664	2,393,460

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

	For the three months ended 31 March	
	2020	2021
Profitability indicators (%)		
Return on average total assets[1][2]	1.09	1.02
Net Interest Margin[2][3]	2.20	2.14
Return on weighted average equity[2][4]	13.44	12.65
Cost-to-income ratio[5]	18.38	19.28

	As at 31 December 2020	As at 31 March 2021
	(in RMB millions, except percentages)	
Asset quality indicators		
NPLs	293,978	307,043
NPL ratio[6]	1.58	1.58
Allowance to NPLs[7]	180.68	183.22
Capital adequacy indicators of the Group Calculated in accordance with the Capital Regulation promulgated by the former CBRC:		
Net Core Tier 1 Capital	2,653,002	2,737,080
Net Tier 1 Capital	2,872,792	2,956,971
Net Capital Base	3,396,186	3,503,010
Core Tier 1 Capital Adequacy Ratio[8]	13.18	13.29
Tier 1 Capital Adequacy Ratio[8]	14.28	14.36
Capital Adequacy Ratio[8]	16.88	17.01

Notes:

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

(2) Calculated on an annualised basis.

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

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

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

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

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

(8) Calculated in accordance with the Capital Regulation.

For the three months ended 31 March 2021, net profit amounted to RMB86,297 million, representing an increase of 1.51 per cent. compared with the same period of 2020. Annualised return on average total assets was 1.02 per cent. Annualised return on weighted average equity was 12.65 per cent.

For the three months ended 31 March 2021, operating income amounted to RMB214,120 million, representing an increase of 3.85 per cent. compared with the same period of 2020. Net interest income was RMB166,601 million, representing an increase of 3.51 per cent. compared with the same period of 2020. Annualised net interest margin stood at 2.14 per cent. Non-interest income reported RMB47,519 million, representing an increase of 5.05 per cent. compared with the same period of 2020, of which net fee and commission income was RMB41,164 million, representing an increase of 1.35 per cent. compared with the same period of 2020. Operating expenses (excluding taxes and surcharges) were RMB41,293 million, representing an increase of 8.94 per cent. compared with the same period of 2020. Cost-to-income ratio was 19.28 per cent.

As at 31 March 2021, total assets amounted to RMB34,367,549 million, representing an increase of RMB1,022,491 million or 3.07 per cent. over the end of 2020. Total loans and advances to customers (excluding accrued interest) amounted to RMB19,482,410 million, representing an increase of RMB858,102 million or 4.61 per cent. over the end of 2020, of which RMB loans of domestic branches grew by RMB712,258 million or 4.24 per cent. In terms of the structure, corporate loans were RMB11,819,856 million, personal loans were RMB7,362,228 million and discounted bills were RMB300,326 million. Investments reached RMB8,716,755 million, representing an increase of RMB125,616 million or 1.46 per cent. over the end of 2020.

As at 31 March 2021, total liabilities amounted to RMB31,373,317 million, representing an increase of RMB937,774 million or 3.08 per cent. over the end of 2020. Due to customers amounted to RMB25,944,333 million, representing an increase of RMB809,607 million or 3.22 per cent. over the end of 2020. In terms of the structure, time deposits were RMB12,676,213 million, demand deposits were RMB12,749,145 million, other deposits were RMB234,372 million and accrued interest was RMB284,603 million.

As at 31 March 2021, shareholders' equity amounted to RMB2,994,232 million, representing an increase of RMB84,717 million or 2.91 per cent. over the end of 2020.

According to the five-category classification of loans, as at 31 March 2021, the balance of NPLs amounted to RMB307,043 million, representing an increase of RMB13,065 million over the end of 2020. The NPL ratio was 1.58 per cent., same as the end of 2020. The allowance to NPL ratio stood at 183.22 per cent., representing an increase of 2.54 percentage points over the end of 2020.

As at 31 March 2021, the core tier 1 capital adequacy ratio was 13.29 per cent., the tier 1 capital adequacy ratio was 14.36 per cent. and the capital adequacy ratio was 17.01 per cent. (calculated in accordance with the Capital Regulation), all meeting regulatory requirements.

PROPOSED ISSUANCE OF ELIGIBLE TIER 2 CAPITAL INSTRUMENTS

The Board considered and approved the proposal on the issuance of eligible tier 2 capital instruments with a write-off feature in domestic and offshore markets of an amount not more than RMB190 billion or an equivalent value in foreign currency at the meeting of the Board held on 26 March 2021. The Board submitted a proposal regarding the same to the 2020 annual general meeting of shareholders to be held on 21 June 2021.

PROPOSED ISSUANCE OF UNDATED ADDITIONAL TIER 1 CAPITAL BONDS IN THE DOMESTIC MARKET

The Bank considered and approved the proposal on the issuance of undated tier 1 capital bonds with a write-off feature in China's national inter-bank bond market of an amount not more than RMB100 billion at its second extraordinary general meeting of 2020 held on 26 November 2020. On 29 March 2021, the Bank further announced that it has received CBIRC's approval on the aforementioned proposed issuance of undated additional tier 1 capital bonds in the domestic market.

The actual issuance of the undated tier 1 capital bonds of the Bank in the domestic market is subject to further approvals from other relevant regulatory authorities as well as market conditions.

PROPOSED ISSUANCE OF UNDATED ADDITIONAL TIER 1 CAPITAL BONDS IN FOREIGN CURRENCY IN THE OFFSHORE MARKET AND EXTENSION OF THE VALIDITY PERIOD OF ITS AUTHORISATION TO THE ISSUANCE

The Bank considered and approved the proposal on the issuance of undated additional tier 1 capital bonds in foreign currency in an amount of RMB40 billion equivalent in the offshore market at its 2019 annual general meeting of shareholders held on 12 June 2020. On 29 September 2020, the Bank further announced that it has received CBIRC's approval on the aforementioned proposed issuance of undated additional tier 1 capital bonds in foreign currency in the offshore market.

The Board considered and approved the proposal on the extending the original validity period of the authorisation of the Board and the authorisation of Board to delegate to the senior management members to handle all relevant matters relating to the issuance of such undated additional tier 1 capital bonds to 31 December 2022. The Board submitted a proposal regarding the same to the 2020 annual general meeting of shareholders to be held on 21 June 2021.

The actual issuance of the undated tier 1 capital bonds of the Bank in foreign currency in the offshore market is subject to further approvals from other relevant regulatory authorities as well as market conditions.

APPOINTMENT OF SENIOR EXECUTIVE VICE PRESIDENT

On 29 April 2021, the Board resolved to appoint Mr. Zhang Weiwu as Senior Executive Vice President of the Bank. The qualification of Mr. Zhang Weiwu's still subject to CBIRC's approval.

RESIGNATION OF THE CHAIRMAN OF THE BOARD OF SUPERVISORS

The former chairman of the board of supervisors of the Bank, Mr. Yang Guozhong tendered his resignation to the board of supervisors of the Bank on 23 March 2021. According to relevant regulations, the resignation of Mr. Yang Guozhong takes effect when it is tendered to the board of supervisors of the Bank. Mr. Yang Guozhong has confirmed that he has no disagreement with the board of supervisors of the Bank and there are no matters relating to his resignation that need to be brought to the attention of the shareholders and creditors of the Bank.

APPOINTMENT OF DIRECTORS

On January 2021, the Board resolved to nominate Ms. Chen Yifang as Non-executive Director of the Bank. The election of Ms. Chen Yifang as Non-executive Director of the Bank is subject to consideration and approval of the general meeting of shareholders of the Bank and the approval of CBIRC. The term of office of Ms. Chen Yifang as Non-executive Director of the Bank will take effect on the date when the approval from the CBIRC is obtained.

On February 2021, Ms. Mei Yingchun, Non-executive Director of the Bank ceased to act as Non-executive Director of the Bank and member of the Strategy Committee, the Corporate Social Responsibility and Consumer Protection Committee, and the Compensation Committee of the Board of Directors of the Bank due to expiration of her term of office.

RESIGNATION OF VICE CHAIRMAN, EXECUTIVE DIRECTOR AND PRESIDENT

On 5 January 2021, the Bank announced that due to change of job assignments, Mr. Gu Shu resigns from the positions of Vice Chairman of the Board, Executive Director, President, Chairman and member of the Corporate Social Responsibility and Consumer Protection Committee, member of the Strategy Committee, member of the Nomination Committee and member of the Compensation Committee of the Board.

APPOINTMENT OF PRESIDENT, VICE CHAIRMAN AND AUTHORISED REPRESENTATIVE

On 25 February 2021, the Bank announced the appointment of Mr. Liao Lin as the President, Vice Chairman and Authorised Representative of the Bank. The election of Mr. Liao Lin as President and Vice Chairman of the Bank was subject to the approval of CBIRC. On 16 March 2021, the Bank announced that the qualifications of Mr. Liao Lin as the President and Vice Chairman of the Bank have been approved by the CBIRC.

MAJOR RECENT ISSUANCES

On 21 January 2021, the Bank issued RMB30,000,000,000 4.15 per cent. tier-2 capital bonds due 2031 in China's national interbank bond market.

COVID-19 IMPACT AND RESPONSE

In 2020, the global economy was largely impacted by the COVID-19 pandemic. In order to overcome the impact of the COVID-19 pandemic and changes to the external environment on our businesses and help our clients and the society to overcome such difficult times together, we have put in place a number of methods.

In 2020, we actively implemented the fee reduction and profit concession policies, increased the support of financial services for the real economy, strengthened risk prevention and control in order to maintain prudential operation and development of our businesses.

We also timely adjusted our credit strategy to support the development of the real economy and meet the funding demands for prevention and control of the pandemic, resumption of work and production, emergency loans and deferral of repayment of principal and interest which helped enterprises affected by the pandemic to relieve some of their temporary operational difficulties.

In responses to the COVID-19 pandemic, we actively provided our clients with more digital and contactless customer services. Our offline intelligent self-service channels can now be used to handle 299 personal and corporate services, including more than 130 "medialess" services, covering most services that are frequently used by our customers.

In addition, we actively invested in bonds from areas affected by the pandemic and bonds whose proceeds will be mainly used for pandemic prevention and control, in order to provide strong financing support for the pandemic prevention and control.

Although China has managed to control the pandemic effectively, we will continue to closely monitor the evolving situation of COVID-19 and evaluate and proactively assess and respond to its impact on our financial position and operating results. For further information, please refer to the following risk factors in the section "*Risk Factors – Risks Relating to Our Loans, Deposits and Investments – Our business is inherently subject to market fluctuations and general economic conditions, particularly in the PRC*." and "*Risk Factors – Risks Relating to the PRC – Any future occurrence of natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on our business, financial condition and results of operations*."

FUNDING AND CAPITAL ADEQUACY

FUNDING

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

The following table gives a breakdown of the Bank's customer deposits (on a consolidated basis) by remaining maturity for the periods indicated:

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Overdue/repayable on demand	11,578,642	54.1	12,461,763	54.2	13,499,762	53.7
Less than 1 month	919,716	4.3	1,063,032	4.6	1,233,220	4.9
1 to 3 months	1,337,250	6.2	1,581,922	6.9	1,336,721	5.3
3 months to 1 year	4,978,718	23.2	4,725,038	20.6	3,849,682	15.3
1 to 5 years	2,582,550	12.1	3,121,105	13.6	5,194,433	20.7
More than 5 years	12,058	0.1	24,795	0.1	20,908	0.1
Total	21,408,934	100.0	22,977,655	100.0	25,134,726	100.0

CAPITAL ADEQUACY

The following table sets forth our core capital and additional capital and capital adequacy ratios calculated in accordance with the applicable guidelines of the CBIRC.

	As at 31 December					
	2018		2019		2020	
	Group	Parent Company	Group	Parent Company	Group	Parent Company
	(in RMB millions, except percentages)					
Item						
Calculated in accordance with the Capital Management Rules:						
Net Core Tier 1 Capital	2,232,033	2,040,396	2,457,274	2,222,316	2,653,002	2,404,030
Net Tier 1 Capital	2,312,143	2,102,348	2,657,523	2,403,000	2,872,792	2,605,594
Net Capital Base	2,644,885	2,419,120	3,121,479	2,852,663	3,396,186	3,114,878
Core Tier 1 Capital Adequacy Ratio	12.98	13.23	13.20	13.29	13.18	13.14
Tier 1 Capital Adequacy Ratio	13.45	13.63	14.27	14.37	14.28	14.24
Capital Adequacy Ratio	15.39	15.68	16.77	17.06	16.88	17.02

As at 31 December 2020, the core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio (in each case, for the Group) calculated by us in accordance with the Capital Management Rules stood at 13.18 per cent., 14.28 per cent. and 16.88 per cent., respectively, all complying with regulatory requirements.

In 2020, we further deepened the capital management reform, strengthened capital saving and optimisation, intensified the constraint of economic capital on risk-weighted assets and continued to elevate the capital use efficiency. In 2020, on the basis of capital replenishment by retained profits, we proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments to reinforce the capital strength, optimise capital structure and control the cost of capital rationally.

The following tables set forth information relating to the Group's capital adequacy as at 31 December 2018, 2019 and 2020, calculated in accordance with the Capital Management Rules.

	As at 31 December		
	2018	2019	2020
	(in RMB millions, except percentages)		
Core Tier 1 Capital	2,247,021	2,472,774	2,669,055
Paid-in capital	356,407	356,407	356,407
Valid portion of capital reserve	151,968	149,067	148,534
Surplus reserve	261,636	292,149	322,692
General reserve	278,980	304,876	339,486
Retained profits	1,205,924	1,367,180	1,508,562
Valid portion of minority interests	3,752	4,178	3,552
Others	(11,646)	(1,083)	(10,178)
Core Tier 1 Capital deductions	14,988	15,500	16,053
Goodwill	8,820	9,038	8,107
Other intangible assets other than land use rights	1,927	2,933	4,582
Cash flow hedge reserves that relate to the hedging of items that are not fair valued on the balance sheet	(3,739)	(4,451)	(4,616)
Investment in Core Tier 1 Capital instruments issued by financial institutions that are under control but not subject to consolidation	7,980	7,980	7,980
Net Core Tier 1 Capital	2,232,033	2,457,274	2,653,002
Additional Tier 1 Capital	80,110	200,249	219,790
Additional Tier 1 Capital instruments and related premium	79,375	199,456	219,143
Valid portion of monitoring interests	735	793	647
Net Tier 1 Capital	2,312,143	2,657,523	2,872,792
Tier 2 Capital	332,742	463,956	523,394
Valid portion of Tier 2 Capital instruments and related premium	202,761	272,680	351,568
Surplus provision for loan impairment	127,990	189,569	170,712
Valid portion of minority interests	1,991	1,707	1,114
Net capital base	2,644,885	3,121,479	3,396,186
Risk-weighted assets[(1)]	17,190,992	18,616,886	20,124,139
Core Tier 1 Capital Adequacy Ratio (%)	12.98	13.20	13.18
Tier 1 Capital Adequacy Ratio (%)	13.45	14.27	14.28
Capital Adequacy Ratio (%)	15.39	16.77	16.88

Note:

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

As at the date of this Offering Circular, we are subject an additional G-SIB buffer requirement of 1.5 per cent.

As at 31 December 2020, the Bank's (Group) core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 13.18 per cent., 14.28 per cent. and 16.88 per cent., respectively, which are above the minimum requirement with safety margins. Accordingly, we have no need to raise more capital to qualify as a G-SIB.

Capital Financing Management

We actively carried out external capital replenishment and promoted the issuance of new capital instruments on the basis of achieving replenishment by retained profits. According to our capital planning and capital replenishment plan, in July 2019, we innovatively and publicly issued the undated additional tier 1 capital bonds of RMB80.0 billion with an interest of 4.45 per cent. in China's national interbank bond market. We made a non-public issuance of RMB700 million domestic preference shares in September 2019 with an initial interest of 4.2 per cent. and raised a total of RMB70.0 billion in funds. In terms of tier 2 capital, we issued in a total of RMB110 billion of tier 2 capital bonds in China's national interbank bond market. In November 2017, we issued Tier 2 capital bonds in China's national interbank bond market, giving a total issue size of RMB88.0 billion. All funds raised were used to replenish our additional tier 1 and tier 2 capital as per applicable laws and the approval of the regulator. On 23 September 2020, we issued U.S.$2,900,000,000 3.58 per cent. Non-cumulative Perpetual Offshore preference shares. On 25 September 2020, we issued RMB60,000,000,000 4.20 per cent. 2020 tier-2 capital bonds (first tranche) due 2030. On 16 November 2020, we issued RMB40,000,000,000 2020 tier-2 capital bonds (second tranche), consisting of RMB30,000,000,000 4.15 per cent. fixed rate bonds due 2030 and RMB10,000,000,000 4.45 per cent. bonds due 2035. On 21 January 2021, we issued RMB30,000,000,000 4.15 per cent. 2021 present tier-2 capital bonds due 2031, in China's national interbank bond market.

Allocation and Management of Economic Capital

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

In recent years, we further strengthened our economic capital management in terms of measurement, allocation and assessment, improved our economic capital measurement policy and optimised our economic capital measurement standards and system. We strictly implemented the measures for quota management, continuously boosted the refined management of economic capital and reinforced the capital constraint on domestic branches, profitability units, overseas institutions and subsidiaries. Moreover, we upgraded the economic capital measurement and appraisal policy of credit business and proactively facilitated the adjustment of our credit structure. We strengthened training on economic capital management for institutions at all levels and vigorously pushed forward operational management and business front-line application of economic capital.

LIABILITIES

Our total liabilities as at 31 December 2018, 2019 and 2020 amounted to RMB25,354,657 million, RMB27,417,433 million and RMB30,435,543 million, respectively. For a detailed description of our latest liabilities, see Notes 30 to 36 to our audited consolidated financial statements of the Group as at and for the year ended 31 December 2020, incorporated by reference in this Offering Circular.

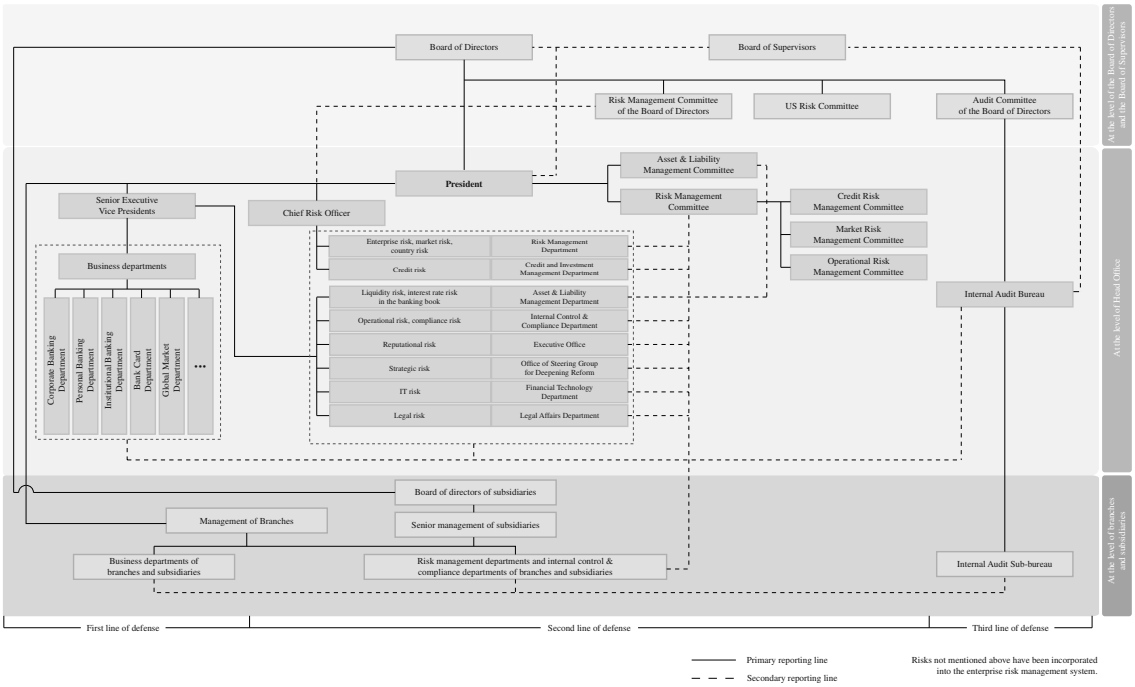
RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT SYSTEM

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

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

Our risk management organisational structure is illustrated below.



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

ACHIEVEMENTS IN RISK MANAGEMENT IN RECENT YEARS

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

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

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

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

- we further improved the enterprise risk management system, continuously upgraded risk management technologies and methods, enhanced the capacity of risk pre-judgment and dynamic control, strengthened risk data governance, and upgraded risk management technologies and methods, so as to make the enterprise risk management more forward-looking and effective;

- we further improved the enterprise risk management system, enhanced risk appetite transmission and limit management and control, intensified the capability of risk response and crisis management and enhanced effective reporting according to the latest regulatory requirements;

- we enhanced the Group's foundation for consolidated risk management, boosted business penetration of non-banking subsidiaries, and strengthened regional risk management of overseas institutions;

- we enhanced our capacity of managing cross risks, strengthened risk management and control of cooperative institutions, and promoted the application of the Group's investment and financing risk monitoring platform to achieve risk data integration involving different risks, markets, institutions and products;

- we actively advanced FinTech application such as big data, developed an intelligent risk monitoring system and enterprise-level anti-fraud platform, and continued to upgrade risk measurement models for better application;

- we also promoted the implementation of the latest international and domestic regulatory requirements, improved the basic policies for enterprise risk management and better managed related work of G-SIB;

- we strengthened consolidated risk management in the Group, intensified the management of risk limits for non-banking subsidiaries, and organised the risk assessment of the subsidiaries;

- we advanced country risk management by strengthening monitoring analysis, reporting and limit management, and enhanced sovereign risk control capability;

- we reinforced the management of the Group's market risk, strengthened the market risk management of overseas institutions and continued perfecting our product control; and

- we further implemented the advanced capital management approaches and continued to refine the measurement system concerning credit risk, market risk and operational risk and strengthen the monitoring, improvement, validation and management application of the risk measurement system.

Our ongoing efforts in risk management in recent years have achieved positive results. In recent years, we have maintained stable assets quality. As at 31 December 2018, 2019 and 2020, our NPL ratios were 1.52 per cent., 1.43 per cent. and 1.58 per cent., respectively.

In 2020, our objective was to "build an enterprise risk management framework that matches a world-class and modern financial enterprise with global competitiveness". We focused on the "management of personnel, assets, defence lines and bottom lines", continuously improved the top-level design of risk management, and enhanced enterprise risk management based on the path of "active prevention, smart control and comprehensive management". We revised and ameliorated the enterprise risk management system, performed risk management responsibilities, transmitted risk management culture, and achieved full coverage of institutions, businesses and personnel with risk management measures. Besides, we optimised the risk appetite and risk limit management system, improved risk emergency management capabilities and consolidated the foundation of the Group's consolidated risk management, to promote the intelligent construction of risk control system, and deepen the application of new technologies such as big data and artificial intelligence.

IMPLEMENTATION OF NEW CAPITAL MANAGEMENT RULES

In June 2012, the CBRC issued the Capital Regulation, which set out stricter requirements on capital management of commercial banks. In order to implement the relevant requirements of the CBIRC, we continue to promote the adoption of advanced capital management methods. We have preliminarily established an internal capital adequacy assessment system and regularly published a capital adequacy ratio report for 2018, 2019 and 2020 in accordance with the Capital Regulation.

Continuously promoted the adoption of advanced capital management methods

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

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

Preliminarily established an internal capital adequacy assessment system

We preliminarily established an assessment system for internal capital adequacy, comprising, among others, substantial risk assessment, capital adequacy forecasting and integrated stress testing. The substantial risk assessment system was able to assess the substantial risks to which we are subject. In addition, it can conduct comprehensive analyses of the risk level and management of various kinds of substantial risks. The capital adequacy forecast system can predict changes in various types of risk-weighted assets and capital based on our business and financial plans, so as to predict the capital adequacy level in following years. The integrated stress testing system can set stress scenarios reflecting the business operation, the assets and liabilities portfolio and our risk features based on the analyses of the macroeconomic trend in the future. Thereafter, it can conduct sensitivity analysis on various parameters (including the capital adequacy ratio) of us under each stress scenario.

Publication of the Capital Adequacy Ratio Report

In accordance with the Capital Regulation, we published our 2018, 2019 and 2020 capital adequacy ratio reports, which set out detailed disclosure of, among others, capital composition, measurement of risk-weighted assets, internal capital adequacy assessment, capital planning and capital adequacy management plans.

CREDIT RISK

Overview

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

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

Our credit risk management has the following characteristics: (1) unified risk appetite. Unified credit risk appetite is implemented for the Bank's credit risk exposures; (2) entire-process management. The credit risk management covers the entire process including customer investigation, credit rating, loan evaluation, loan review and approval, loan payment and post-lending monitoring; (3) system management. It continues to enhance the building of credit information system and improve the tools to manage and control credit risk; (4) strict management over credits. Strict qualification management is enforced on the business institutions and the credit practitioners. We supervise and inspect our credits to promote compliant and robust operation; (5) the specialised institution is set up to conduct unified risk monitoring over credit risk businesses; and (6) the specialised institution is established to effectively coordinate management. We participate in the collection and disposal of non-performing assets ("**NPAs**") directly in a timely manner or guides our branches to do so.

According to the regulatory requirement on loan risk classification, we implemented five-category classification management in relation to loan quality and classified loans into five categories: pass, special mention, substandard, doubtful and loss, based on the possibility of collecting the principal and interest of loans. In order to implement sophisticated management of credit asset quality and improve risk management, we implemented the twelve-category internal classification system for corporate loans. We applied five-category classification management to personal credit assets and ascertained the category of the loans based on the number of months in default, anticipated loss rate, credit rating, collateral and other quantitative and qualitative factors.

Credit Risk Management for Corporate Loans

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

We continued to strengthen the building of the credit policy system. A joint prevention and control mechanism was established to support key business development and risk management, with the coordinated participation by front-, middle- and back-office departments, and an intelligent credit risk management and control model consisting of "Three Gates" and "Seven-colour Pools" was built, to

highlight the strengthening of credit risk management and control. New credit approval regulations were implemented in an all-around manner, to optimise the review and approval system, and improve credit risk mitigation measures. Besides, the working capital loan management rules were optimised and integrated, the management of risk control process was strengthened, and the transformation of supporting systems was completed. We also formulated the loan management measures for supporting technological enhancements of manufacturing enterprises, so as to provide positive support for the financing needs of these enterprises for technological upgrading and transformation and for the construction of high-quality projects.

We strengthened the strategic guidance on credit policies. We actively provided support for the infrastructure projects under construction such as highways, railways, airports, urban rail transit and municipal public facilities as well as the construction of major projects for tackling areas of weaknesses. We highlighted the support for high-quality customers and projects in the emerging manufacturing fields such as new generation information technology and high-end equipment, to continuously intensify the differentiated policy management of the traditional manufacturing industry. Besides, active support was also given to the financing demand for consumption upgrade in the service industry. Through organic connection between industrial and regional policies, we revised and improved the credit policies for key regions such as the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area, the Beijing-Tianjin-Hebei region, Central China, and the Chengdu-Chongqing economic circle. Priority was given to supporting key investment and financing projects along the Belt and Road, upgrading core technologies, stabilising the global industrial chain, and promoting the dual-cycle related business needs at home and abroad.

We strengthened the risk management in the real estate industry. We paid close attention to the risk changes in the real estate markets of different regions, focused on supporting ordinary commercial housing projects aimed to satisfy rigid demands that are in line with regulatory policies, proactively and prudently promote financing for commercial rental housing projects, and provided financial support for the building of government-subsidised housing projects in compliance with laws and regulations. In addition, we continued to implement quota management for commercial real estate investment and financing, for the purpose of reasonably controlling the total amount of investment and financing for such projects.

We enhanced the risk management of inclusive loans. In adherence to the whole-process risk prevention and control of inclusive loans, we followed the development direction of "digital inclusiveness" and created an inclusive loan risk management system featuring "data-driven, intelligent warning, dynamic management, and continuous operation". We optimised customer selection and model access, to strictly control customer access. The duration management model in combination with on-site inspection and off-site monitoring was constantly prompted, with the performance of onsite inspection responsibilities, to continuously enrich off-site monitoring data sources, optimise monitoring models, and improve the accuracy and coverage of off-site monitoring. Moreover, we kept monitoring the use of loans related to epidemic prevention, strictly implemented bail-in policy arrangements such as deferred principal and interest repayment and reinforced the tracking and monitoring of loans with deferred debt service.

Customer Credit Line Approval

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

Individual Loan Approval and Management

Initial Loan Evaluation

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

Loan Review and Approval

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

Project Evaluation. In reviewing applications for medium or long-term loans to fund major projects, such as acquisitions of fixed assets, expansion of production capacity, infrastructure development and property development, a loan assessment team will be formed to evaluate the underlying project. We assess the borrowers, the co-investors in the underlying projects and the underlying projects themselves, taking into account factors such as the anticipated cash flows of the projects, the perceived repayment ability of the borrowers and other credit risks related to the relevant loans. We may seek professional advice from external parties in the course of conducting such project evaluations depending on the circumstances.

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

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

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

Fund Disbursement

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

Post-disbursement Management

Post-disbursement review

We conduct post-disbursement monitoring and review, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-repayment or other risks and to implement preventative measures in order to mitigate default risks or take remedial actions to minimise potential losses. The frequency of post-disbursement review depends on the credit rating of the customers and factors that would affect the customers' ability to repay the loans.

Loan Classification

All PRC commercial banks are required to classify their outstanding loans based on a five-category loan classification system. See "*Assets and Liabilities – Assets – Asset Quality of Our Loan Portfolio*". We have adopted an internal 12-grade loan classification system, which refines the five-category loan classification system, to classify our corporate loans. We continue to use the five-category loan classification system to classify our discounted bills and off-balance sheet commitments, such as guarantees, for internal purposes.

The following table illustrates our internal 12-grade loan classification system:

Pass				**Special Mention**			**Substandard**		**Doubtful**		**Loss**
Pass One	Pass Two	Pass Three	Pass Four	Special Mention One	Special Mention Two	Special Mention Three	Substandard One	Substandard Two	Doubtful One	Doubtful Two	Loss

This loan classification system takes into account both quantitative and qualitative factors, including the credit rating of the relevant borrower, the existence of a guarantee and the outstanding period of any overdue payments. The system utilises a quantified scoring model, and preliminary scores are automatically generated by our global credit management system (the "**GCMS**"). The relevant corporate relationship manager will provide a recommendation for classification based on the preliminary results generated by the system. Our credit management department will review the classification results and provide its views upon review, and the relevant person responsible for the credit management department will finalise, within his or her scope of authority, the classification of the relevant loan upon further examination. We review our loan classification on a monthly basis.

Our internal 12-grade loan classification system is designed to enable us to better monitor changes in our asset quality, to detect potential credit risks and to conduct more effectively post-disbursement management of our loan portfolio. We believe that this system has strengthened our loan monitoring function and improved our overall credit management.

Management of NPLs

The credit and investment management department at our head office as well as the credit and investment management and risk management department at our branches are primarily responsible for managing our NPLs. When a loan becomes non-performing, the management of the loan is transferred to the relevant credit and investment management department or risk management department. In order to strengthen the management of our NPLs, we optimised our procedures for NPL management. We continue to develop practical and effective measures and methods for recovering or disposing of NPLs.

We manage our NPLs primarily based on the classification of such loans. For sub-standard loans, we focus on monitoring the current assets and cash flows of the borrower, paying particular attention to any major changes in its business. For doubtful loans, we closely monitor the businesses of the borrower and the related guarantor, increase our efforts to examine and preserve the assets of the borrower and actively engage in collecting and recovering these loans. For loss loans, we write off these loans in accordance with the relevant regulatory requirements but continue to seek recovery of the relevant amounts.

To recover NPLs, we generally take, to the extent necessary, the following actions: (i) notification of collection; (ii) cash collection; (iii) restructuring of NPLs; (iv) disposal of collateral or recovery of collateral; (v) collection through legal or arbitration proceedings; (vi) bulk transfer to asset management companies; and (vii) write-offs, once all other collection actions have failed.

To manage better our restructured loans, we have formulated relevant policies that set forth the definitions pertinent to, provisions applicable to and allocation of responsibilities regarding the investigation, approval and post-restructuring management of the restructured loans. Under the relevant management rules, upon its restructuring, a restructured loan may not be initially classified to a category higher than substandard. A restructured loan may not be classified to a category higher than doubtful if, after its restructuring, the restructured loan remains overdue or the borrower remains incapable of repaying the loan. Within the six-month observation period immediately following its restructuring, a restructured loan may not be reclassified to a category higher than the one to which it was initially assigned.

Credit Risk Management for Personal Loans

In an effort to prevent potential credit risks and improve the efficiency of our personal loan approval, we have established personal loan approval centres at our first tier branches to be responsible for reviewing and approving personal loans within their respective jurisdictions and within the authorised limit. Each step of our personal credit business process is operated through our GCMS.

For the purpose of proactively responding to the risks caused by the pandemic, we made every effort to provide credit support and service guarantee for personal customers during the outbreak of the pandemic, and strengthened the mitigation of credit risk for customers whose repayment capability was severely affected by the pandemic. An intelligent implementation plan for credit risk management and control of personal loans was prepared, to strictly manage customer access, and strengthen differentiated risk warning and refined management of NPAs. Furthermore, the personal loan risk monitoring model was optimised to improve monitoring and warning capabilities, the case prevention management was properly conducted to enhance the tracking and remediation of risk events, and close attention was paid to the tracking and governance of key risk points.

Credit Origination and Evaluation

Once a personal loan application is received by the originating branch, our investigator will examine the application materials and investigate the applicant through interviews and site visits. The investigator will also search the databases such as the personal credit information database of the PBOC and our specially designated customer information system for relevant information. The investigator also categorises and scans the application materials and utilises the GCMS to determine the borrower's credit rating, loan application rating, RAROC forecast and pricing valuation. Two officers will be responsible for the investigation. After the investigation, the branch manager will verify the loan application and investigation results in the GCMS and submit the loan application materials to the personal loan approval centre.

Credit Approval

Upon receiving loan application materials, the relevant personal loan approval centre assigns an officer to conduct further review of the loan application from the perspective of credit policy, regulation and risk management. Furthermore, the officer conducts a comprehensive review of the information contained in the loan application materials to verify whether it is objective and reasonable. If this officer recommends approval of the loan application, the application will be submitted to an authorised reviewer in the personal loan approval centre for final approval. If the amount of the loan exceeds the credit authorisation limit of the originating branch, the application will be forwarded to the higher tier branch with the requisite authority.

Loan Disbursement

After a loan application is approved and the authorised person has signed and approved the loan disbursement, the designated personnel of the originating branch are responsible for further ensuring that the required guarantee, if any, is provided, that other pre-conditions required for loan disbursement are fulfiled, that the loan agreement and any other documentation is executed and that the funds are disbursed to the borrower.

Post-disbursement Management

Post-disbursement Monitoring

We conduct post-disbursement monitoring and review of our personal loans, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-payment or other risks and to implement preventive measures to reduce default risk and take remedial action to minimise potential losses. The frequency of post-disbursement review depends on the use of proceeds and factors that would affect the customers' ability to repay the loans.

Loan Classification

We use the five-category loan classification system to classify our personal loans. The GCMS automatically and quantitatively classifies personal loans based on months overdue, cross default and other parameters. Such quantitative classification result will apply directly if it can accurately reflect the quality of assets. If the quantitative classification result appears to be inaccurate based on post-disbursement monitoring, supervision, collection and other review, our first tier and second tier branches are required to initiate qualitative classification analysis procedures.

Collection of NPLs

Our personal NPLs are managed primarily by the risk management departments at our head office and branches. As part of our efforts to enhance the post-disbursement management of our personal loans, we have implemented standardised rules and procedures for the maintenance and use of our personal credit files and related records.

We have implemented standardised collection, recovery and disposal procedures and measures for our personal NPLs throughout the Bank. When necessary, we initiate legal proceedings to recover NPLs and seek the enforcement of relevant guarantee or insurance obligations.

Credit Risk Management for Credit Cards

We have adopted an applicant scoring mechanism for evaluating and approving our credit card applications, applied the scoring model to credit card approval procedures and set out minimum criteria for application risk control scoring. We have implemented various control strategies, taking into account the risk management capabilities of the institution issuing the credit cards, product feature and actual risk control situation, and we have consistently enhanced the robustness of our internal rating approach in credit card businesses. In evaluating credit card applications, we give full consideration to our CIIS system as well as the credit data provided by the PBOC and those made available by China UnionPay.

Our head office oversees all credit card-related transactions on a Bank-wide basis. We routinely monitor and analyse unusual credit card transactions to reduce credit card fraud and intentional default.

We consolidated the credit management system for credit card business by improving related regulations and processes including the joint prevention and control mechanism for review and approval process and the authenticity review rules; and it established a scenario-based "1+N" credit management mechanism, to realise functions such as credit view, real-time credit granting, and real-time digital card issuance. We innovated the limit management mode and built a customer-based financing limit management and control system. In addition, we established and improved a multi-dimensional risk monitoring system and developed a credit default risk management and control system for existing customers to enhance differentiated risk management and control.

Credit Risk Management for Treasury Operations

Our treasury operations are subject to credit risk as a result of our investment activities and inter-bank lending activities. Our RMB-denominated investment portfolio primarily consists of debt securities issued by the PRC Government and other domestic issuers. The amount of the debt securities of any domestic or foreign entity (except the PRC Government) that we purchase or our interbank lending to any domestic or foreign entity is limited to the total credit lines that we have approved for that entity. Our foreign currency-denominated investment portfolio primarily consists of investment-grade bonds.

In terms of investment business, we strengthened pre-investment screening and analysis, paid close attention to the redemption risk of bonds due within the year, strengthened the monitoring of exiting bonds in key risk industries, and reinforced duration management. With respect to money market business, we tightened up the pre-review and regular risk assessment of counterparty access, strengthened the systematic management and control of important risk management processes such as authorisation, credit extension, counterparty access, collateral, transaction price and concentration, and improved ex post duration management, with appropriate potential risk analysis and investigation. As for derivative business, we actively promoted the negotiation and signing of ISDA, NAFMII and other legal agreements, strictly managed and controlled the credit line of derivative counterparties through the Global Financial Market Transaction platform and maintained regular monitoring of client margins and credit line.

Achievements in Credit Risk Management in Recent Years

In recent years, in response to the changes in the macroeconomic environment and financial regulatory requirements, we have endeavoured to drive the real economy by financial services and proactively adjusted and improved various credit policies according to the changes in the economic environment and industrial development trends. We have expedited product innovation, optimised credit business procedures, supported the development of the real economy, made greater efforts in credit restructuring and continued the building of the credit system in the PRC. We strictly controlled our credit risks in certain key areas, strengthened credit limit management by industries, standardised the credit operation process and strengthened the construction of credit risk monitoring, verification and supervision. Furthermore, we achieved centralised monitoring of credit risk for customers, institutions, products and processes of the Group and enhanced risk control and prevention. As a result, our credit risk management has been enhanced.

We have adopted an internal rating system for retail and non-retail businesses to conduct customer rating, pricing, monitoring and analysis and have strengthened our credit risk management on the basis of risk quantification. We implemented comprehensive verification and continuous monitoring mechanism for our internal rating system, established model approval and model risk management mechanism, optimising the customer and debt rating model based on the latest data. We utilised the rating results for pre-lending customer access screening, credit approval, risk limit management and early warning, strengthened our economic capital management via risk quantification and have achieved a balance between risks and returns by adopting the risk adjusted return on capital measurement. Furthermore, we have reinforced our credit card rating management and risk control policy, increased the management requirement of cross-default customers and further enhanced the effectiveness of rating results as a risk management tool.

With the concept of "concentration, integration, sharing and exploration", we have established a standard credit risk operation and management platform across our Group in accordance with "ONE ICBC" risk management requirements and in order to support our onshore and offshore institutions for asset business operations, risk management, operational decision and on a 24-hour basis and promote the advancement of our risk management system.

We have also improved industry credit policies and enhanced industry risk management. Based on macroeconomic policy, the orientation of industrial policy and the characteristics of industrial operation, we have continuously adjusted and improved the credit policy for each industry and further expanded the coverage of industrial credit policies. We actively supported the advanced manufacturing, modern services and culture industries and strategic emerging sectors, in line with the country's economic restructuring orientation, and continued to promote the "green credit". By scientifically navigating the direction of granting credit and structural adjustment, we have implemented strict quota management on industries with over-capacity, differentiate out credit policies, improved credit limit management and operation procedures and enhanced the control and withdrawal mechanism for business with potential risks. Consequently, the financing structure has been improved.

We strengthened risk management of loans to LGFVs. We followed the relevant policies and regulatory requirements of the State Council and CBIRC, strictly controlled new financing for LGFVs, timely adjusted policies on loans to LGFVs and accelerated the rectification and credit enhancement of existing loans to LGFVs to optimise the credit structure of the financial vehicles.

We strengthened risk management of the real estate industry. We made efforts to guarantee public well-being in real estate industry, strengthened real estate classification, and continued to support first-tier and key second-tier cities with strong economic foundation and net inflow of population, and whose real estate markets have medium and long-term development potential. Specifically, we mainly supported ordinary residential commercial housing projects aimed at satisfying rigid demands that are in line with regulatory policies. We proactively and prudently promoted financing for commercial rental housing projects and building government-subsidised housing projects in compliance with laws and regulations, and strictly controlled financing for commercial property development and shantytown renovation projects for commercial use.

We strengthened risk management in relation to trade finance. In light of the complex external environment, we have regulated our level of commodity financing, defined stricter access standards for logistic monitoring enterprises and strengthened the supervision of cooperative institutions. We have explored a work mechanism for supply chain financing on our own initiative, developed our off-site monitoring of trade finance, strengthened trade background authenticity verification and improved our system capability in preventing and combating fraudulent transactions.

We continued to strengthen the building of the credit policy system. We revised the regulations on the uniform risk limit management for investment and financing of corporate customers across the board, and formulated basic provisions, basic procedures, calculation methods and occupation rules concerning uniform investment and financing risk limit management. Further advances have been made in improving the customer-oriented limit management system and strengthening the coordinated management of our overall credit risks.

We emphasised on the leading role of credit policy. We proactively supported infrastructure projects under construction and major projects to strengthen areas of weakness, and prioritised advancing high-quality development of manufacturing. We stepped up efforts to support the financing needs of service industries related to people's livelihood, including healthcare, education, elderly care, tourism and culture, and fully implemented the development strategies for private enterprises and inclusive finance. We enhanced the connection between industrial and regional policies and strived to meet the requirements of China's major regional strategies, with a focus on the investment and financing business development and innovation in key areas such as the Guangdong-Hong Kong-Macau Greater Bay Area, the coordinated development of Beijing-Tianjin-Hebei and the Yangtze River Delta Integration as well as the investment and financing needs of Xiong'an New Area.

We enhanced risk management of personal loans. Focusing on personal loan risk inspection and governance, we studied and analysed the risk of critical loan types and granting loans in critical areas. We conducted inspections on personal loan management system reform and collateral management and continued to examine in-depth personal loans. We strengthened daily monitoring and early warning inspection on personal loan risks, optimised our early warning models, and conducted inspections on false mortgage and risk projects across the board. We intensified efforts to collect and dispose personal NPLs and actively promoted the securitisation of personal NPLs.

We enhanced credit risk management of small and micro enterprises. We proactively applied FinTech to comprehensively integrate data information internally and externally, continued to optimise dynamic model monitoring mechanism, and embedded data models into the risk management process including pre-lending customer access screening, analysis and decision-making in the lending process and post-lending supervision and warning systems, to build an online financing risk management system featuring "data-driven, intelligent warning, dynamic management and continuous operation". Moreover, we strengthened the risk prevention and control responsibilities of special institutions such as inclusive finance departments and small and micro centres at branches and improved the entire risk management system covering customer access and post-lending management, so as to efficiently manage risk.

The risk management process of our credit card business was also enhanced. We continued to improve credit-granting policies and promoted the development and upgrading of intelligent inspection and approval system, so as to make our credit management more automatic. We promoted the establishment of a big data-based risk control system, and continuously improved access models and business strategies by introducing multidimensional external data such as credit reference information of the PBOC. BLAZE, a decision-making engine, was further utilised in issuing credit card and limiting adjustment to make risk control more automatic. We also continued to improve the intelligent risk management and control system. We followed the vision of comprehensive risk monitoring and management and took advantage of our risk management and control technology of big data measurement and expert strategy development. We focused on risk asset control and solution through forward-looking and multi-dimension monitoring measures.

We strengthened our market risk management. Market risk management is the process of identifying, measuring, monitoring, controlling and reporting market risk for the purposes of setting up and enhancing the market risk management system, specifying responsibilities and process, determining and standardising the measurement approaches, limit management indicators and market risk reports, controlling and mitigating market risk and improving the level of market risk management. The objective of market risk management is to control market risk exposures within a tolerable level and maximise risk-adjusted return according to our risk appetite.

We strengthened the quality management of credit assets to guarantee the stable quality of such assets. We improved our NPL forecasting and alert mechanism to facilitate timely risk response measures. We strengthened the management of NPLs in key areas and large-amount NPLs and enhanced the management, collection and disposal of NPLs. We also strengthened write-off management and carried out bad debt write-offs in an orderly manner. In addition, we proactively disposed of NPLs through bulk transfer, interest-free repayment, payment-in-kind and other means and broadened the channels for NPL disposal.

Large Exposures Management

We actively established and improved the management structure and system for large exposures, improved relevant rules and regulations, and clarified requirements on management framework, calculation method, policy and procedures related to large exposures management. Efforts were also made to promote the system related to large exposures management to effectively manage our large exposures.

Risk Management for Asset Management

We actively implemented the requirements of New Rules on Asset Management, strictly implemented the principle of "risk isolation between agency investment and proprietary business", and continued to strengthen the construction of system for managing asset management risk, to promote the transformation of such management system. The credit risk management mechanism was regulated for non-standardised agency investment business after the establishment of ICBC Wealth Management, and the basic management system for non-standardised agency investment business was revised, to intensify the refined and differentiated management of key businesses. With the continuous optimisation of IT system functions related to asset management, the whole-process and systematic management of agency investment business was strengthened. The wealth management and investment risks were reviewed, to strictly control the use of wealth management funds. To optimise and improve the credit rating mechanism, a credit rating system with full market coverage and dynamic adjustment was established. With close attention paid to market fluctuations, market research and judgment was intensified, and stress testing was carried out on a regular basis, so that risk management could be more forward-looking and effective. Besides, a dynamic and prudent liquidity risk management system was built, to reasonably match product maturity and asset maturity, and tighten up liquidity monitoring at key points in time.

MARKET RISK

Market Risk Management

Market risk is defined as the risk of loss to our on- and off-balance sheet activities caused by adverse movements in market rates (including interest rates, exchange rates, stock prices and commodity prices). We are primarily exposed to interest rate risk and currency risk (including gold).

Market risk management is the process of identifying, measuring, monitoring, controlling and reporting market risk for the purposes of setting up and enhancing the market risk management system, specifying responsibilities and process, determining and standardising the measurement approaches, limit management indicators and market risk reports, controlling and preventing market risk and improving the level of market risk management. The objective of market risk management is to control market risk exposures within a tolerable level and maximise risk-adjusted return according to our risk appetite.

We strictly comply with regulatory requirements on market risk management, have implemented an independent, centralised and coordinated market risk management model, and formed a management organisational structure featuring the segregation of the front, the middle and the back offices in the financial market business. The Board assumes the ultimate responsibility for monitoring market risk management. The senior management is responsible for executing the strategies, overall policy and system concerning market risk management approved by the Board. The Market Risk Management Committee of the senior management is our reviewing and decision-making organ in respect of market risk management, is responsible for reviewing material affairs of market risk management and performs its duty in accordance with the Working Regulations for the Market Risk Management Committee. The risk management departments at different levels undertake the responsibility of coordinating market risk management at respective levels, and the business departments implement market risk management policies and standards for their respective business areas in accordance with their functions.

In 2020, we continued to improve the Group's market risk management, and deepened the establishment of market risk management system at the Group's level, to enrich and ameliorate the market risk management policy system on an ongoing basis. We innovated the financial market business and product risk management system, and established a product life-cycle risk assessment and review mechanism. To cement the market risk management of overseas institutions, a major market risk emergency management plan for overseas institutions was formulated. The Group's market risk appetite and limit transmission mechanism was improved, to strictly control the Group's market risk limits. A forward-looking analysis of interest rate, exchange rate and commodity risks were conducted in a timely manner, with the establishment of a quick risk reporting mechanism during the COVID-19 pandemic. Empowered by technologies, the market risk management system was more intelligent, thus enhancing the optimisation, management and application of functions such as stress testing and continuously promoting the extended application of global market risk management system to overseas institutions.

Market Risk Management of the Trading Book

We kept strengthening trading book market risk management and product control, and adopted the value-at-risk, stress testing, sensitivity analysis, exposure analysis, profit/loss analysis, price monitoring and other means to measure and manage trading book products. We continued to improve the portfolio-based market risk limit management system, refined the limit indicator system, ameliorated the dynamic management mechanism, and realised quick and flexible limit monitoring and dynamic adjustments based on the GMRM system, to meet the requirements of new products and businesses for timeliness.

Currency Risk Management

Currency risk is the risk of adverse movements of exchange rate resulting in losses on the foreign currency exposure, which is due to the currency structure's mismatch between foreign currency assets and liabilities. Our objective of currency risk management is to control the impact of exchange rate fluctuations on our financial position and shareholders' equity within a tolerable extent. We mitigate such risk principally by limit management and hedging of risks. We carry out sensitivity analysis and stress testing of currency risk on a quarterly basis, and the senior management and the Market Risk Management Committee review the currency risk reports on a quarterly basis.

In 2020, we closely watched the changes in external environment and market conditions, actively took a combination of measures such as limit management and hedging of risks to improve the matching degree of the Group's foreign exchange assets and liabilities, and strengthened capital fund preservation management of overseas institutions. The currency risk was controllable in general.

INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk in the banking book is defined as the risk of loss in the economic value and overall profit of the banking book arising from adverse movements in interest rate and maturity structure.

Management of Interest Rate Risk in the Banking Book

In 2020, we actively responded to the challenges brought about by the deepened interest rate liberalisation and the impact of the COVID-19 pandemic. We continued to optimise the interest rate risk portfolio control mechanism, improved the "group-wide, full-process and full-product" interest rate risk limit management system, developed a systematic and intelligent risk warning, prevention and control mechanism, and refined the access assessment, accountability and emergency management process, to enhance risk management capabilities in a complex interest rate environment. Besides, a proactive and forward-looking interest rate risk management strategy was implemented, cross-cycle policies were appropriately designed, and a combination of asset-liability quantitative instruments, price instruments and derivative instruments was utilised, to prop up the steady growth of the Group's overall income and long-term value.

Management System and Governance Structure for Interest Rate Risk in the Banking Book

Our management system for interest rate risk in the banking book conforms to the system importance, risk status and business complexity, and fits our overall development strategy and the enterprise risk management system. The system mainly consists of the following elements: an effective risk governance structure; sound risk management strategies, policies and procedures; effective risk identification, measurement, monitoring, control and mitigation that cover all areas; a complete internal control and review mechanism; a fully-built risk management system; and adequate information disclosure and reporting.

We strictly complied with regulatory requirements for interest rate risk in the banking book, effectively managed our interest rate risk in the banking book and consolidated level and developed a sound governance structure for interest rate risk management in the banking book that is fully built and well-structured, with clearly defined rights and responsibilities. The Board and the senior management are vested with the ultimate and executive responsibilities, respectively, for managing interest rate risk in the banking book. The asset & liability management department of the head office takes the leading role in managing interest rate risk in the banking book, and other departments and institutions play their roles in implementing policies and standards concerning interest rate risk in the banking book. The internal audit bureau and internal control & compliance department of the head office are responsible for reviewing and evaluating duties in respective of interest rate risk in the banking book.

Objective, Strategy and Important Policy of Management of Interest Rate Risk in the Banking Book

We aim to maximise the risk-adjusted net interest income within the tolerable level of interest rate risk under our risk management and risk appetite.

We formulated strategies and clarified objectives and modes for managing interest rate risk in the banking book based on risk appetite, risk status, macroeconomic and market changes. Based on the pre-judging of the interest rate trend and measurement results of the changes in overall profit and economic value, we formulated and put into practice relevant management policies, and adopted a coordinated approach to using interest rate risk control tools to mitigate and manage risks, so as to ensure our actual interest rate risks conform to our bearing capability and willingness.

On the basis of management strategies and objectives, we developed policies and clarified the modes and instruments for managing interest rate risk in the banking book. By developing and modifying such methods such as on-balance sheet adjustment and off-balance sheet hedging to manage interest rate risk, adeptly using quantity, pricing and derivative instruments regarding assets and liabilities, and applying limit management system, business plan, performance assessment and capital evaluation in all areas for interest rate risk management and assessment, we achieved effective control of interest rate risk at the business lines, the branches, the affiliates and the products and portfolios easily affected by interest rate risk.

Stress Testing

In line with the principles of comprehensiveness, prudence and foresight, our stress testing on interest rate risk in the banking book adopted the interest rate risk exposure measurement approach and standardised duration approach to measure the effect of interest rate changes under different stress scenarios on the overall profit and economic value. Based on domestic and overseas regulatory requirements, the bank-wide asset and liability business structure, operation and management as well as risk appetite, we set stress testing scenarios for interest rate risk in the banking book by taking into account the current interest rate level, historical changes and trends, total assets and liabilities and their term characteristics, business development strategies, customer behaviours and other factors, and conducted stress testing quarterly.

LIQUIDITY RISK

Liquidity Risk Management

Liquidity risk is the risk that we are unable to raise funds on a timely basis at a reasonable cost to settle liabilities as they fall due, or perform other payment obligations and satisfy other funding demands arising from the normal course of business. Liquidity risk may arise from the following events or factors: withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, mismatch between assets and liabilities, difficulties in assets realisation, operating losses, derivatives trading risk and risk associated with its affiliates.

Taking into consideration changes in the macroeconomic environment and financial regulatory policies, we continue to strengthen the development of our liquidity risk management system and improve the management of our liquidity risk. In light of the regulatory requirements of the Regulations Governing the Liquidity Risk of Commercial Banks《商業銀行流動性風險管理條例辦法》(銀保監會令2018年第3號) and relevant requirements, we have implemented liquidity risk management related policies, revised our emergency measures for liquidity risks and further improved our liquidity risk management systems. We also coordinated the management of on and off-balance sheet liquidity risk and provided guidance for overseas institutions to adjust their assets and liabilities structure. Furthermore, we optimised the management model for our treasury businesses and continued to enhance our liquidity risk management capabilities on a consolidated basis.

In 2020, we continued to uphold a steady and prudent liquidity risk management strategy, kept strengthening liquidity risk management, and took different measures to ensure that the Group's liquidity could be stable and safe. We tightened up the monitoring on funds, and maintained reasonable and affluent liquidity reserves, so as to manage liquidity risk properly during peak payments, important holidays and key points in time. Besides, the Group's liquidity risk management system was optimised constantly, the application of fund operation and monitoring system was strengthened, the automation level of liquidity risk measurement and control system was enhanced, and the multi-layer and multi-dimensional liquidity monitoring and warning system was upgraded, to further improve the Group's liquidity risk prevention capabilities.

Liquidity Risk Management System and Governance Structure

Our liquidity risk management system conforms to our overall development strategy and overall risk management system, and is commensurate with our business scale, business nature, complexity and other aspects. The system includes the following fundamental elements: effective governance structure for liquidity risk management; sound strategy, policy and procedures for liquidity risk management; effective identification, measurement, monitoring and control for liquidity risk and a complete management information system.

In respect of liquidity risk management, our governance structure embodies the decision-making system comprising the Board and its special committees as well as the Asset and Liability Management Committee and the Risk Management Committee of the head office; the supervision system comprising the Board of Supervisors, the Internal Audit Bureau and the Internal Control and Compliance Department of the head office; and the execution system comprising the Asset and Liability Management Department, leading management departments of on- and off-balance sheet businesses, the information technology departments, operation management departments of the head office and relevant departments of branches. Each of these systems performs the corresponding functions of decision making, supervision and execution according to division of responsibilities.

Objectives, strategies and major policies for liquidity risk management

By establishing and improving the liquidity risk management system, we aim at realising complete identification, accurate measurement, continuous monitoring and effective control of the liquidity risk at the Group level, the Bank, the affiliates, the branches and the business lines, and ensuring the liquidity demand is satisfied at a reasonable cost in time under the normal business scenario and the stress scenario.

Our liquidity risk management strategy and policy are formulated in accordance with our liquidity risk appetite, and they cover all businesses on- and off-balance sheet, all domestic and overseas business departments, branches and affiliates that are likely to have a material impact on the liquidity risk, and contain the liquidity risk management under normal and stressed scenarios. Our liquidity risk management strategy specifies the overall objective and mode of liquidity risk management and lists major policies and procedures for liquidity risk management. The policies for liquidity risk management are formulated in accordance with external and macro operating environments and our business development, with a view to striking an effective balance among security, liquidity and profitability.

Liquidity risk management model

Our liquidity risk management department at the head office level manages the liquidity risk of the Group on a consolidated basis. The head office manages our liquidity risk of in a unified and centralised manner and ensures our liquidity security through dynamic adjustment of the aggregate and structure of assets and liabilities, whereas the affiliates assume primary responsibilities concerning liquidity risk management of respective institution, and undertake corresponding responsibilities as required by the leading liquidity risk management departments of the head office. The business departments that manage the on and off-balance sheet businesses at the head office, domestic and overseas branches and institutions effectively implement the requirements of the Group's liquidity management policies. Furthermore, they cooperate with the departments in charge of liquidity management in terms of risk detection, measurement, monitoring and reporting.

Stress testing

Following the prudence principle, we employ the scenario analysis and the sensitivity analysis to perform stress testing on liquidity risk. We have taken full consideration of various macroscopic and microscopic factors that may influence our liquidity status to set stress scenarios against those products, businesses and institutions with concentrated liquidity risk in line with the characteristics and complexity of our businesses. We perform stress testing on a quarterly basis. Where necessary, we may carry out temporary and special stress testing at a particular time in light of changes in the external operating environment and regulatory requirements.

OPERATIONAL RISK

Operational Risk Management

Operational risk is defined as the risk of loss resulting from insufficient or problematic internal processes, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risk. There are seven major types of operational risks that we faced, including internal fraud, external fraud, employment system and workplace safety, customers, products and business activities, damage to physical assets, IT system, execution and delivery and process management. Among these, external fraud, execution, delivery and process management constitute our major sources of operational risk losses.

We strictly comply with regulatory requirements on operational risk management. The Board, the Board of Supervisors, the senior management and its Operational Risk Management Committee are respectively responsible for decision-making, supervision and execution with respect to operational risk management, and relevant departments act as the "three lines of defence" for operational risk management pursuant to their management functions, thus forming an operational risk management system with close connection and mutual checks and balances. Institutions and departments function as the first line of defence, which assume the direct responsibility for respective operational risk management. Classified management departments such as Internal Control & Compliance, Legal Affairs, Security, Financial Technology, Finance & Accounting, Operation Management and Human Resources as well as cross-risk management departments including Credit and Investment Management and Risk Management jointly perform the functions as the second line of defence, which are respectively responsible for the lead management of operational risk, the classified management of certain type of operational risk and the management of operational risk across credit and market risks. The Internal Audit Department performs the functions as the third line of defence and assumes the responsibility for supervision, which is responsible for supervising the effectiveness of operational risk management.

In 2020, we continued to reinforce operational risk management in line with regulatory focuses and operational risk trends. We optimised the risk limit decomposition and implementation mechanism, effectively transmitted the Group's operational risk management appetite, and strengthened risk warning and forward-looking control of large-value operational risk events. The operational risk and control self-assessment under "regulatory red line" was carried out, with the focus on key risk points in major areas of regulatory penalties, to further address gaps and energetically improve a long-term risk control mechanism. Moreover, the operational risk application and management system was optimised, to continuously enhance effective risk data aggregation and risk reporting capabilities. In 2020, our operational risk management system operated smoothly, and the operational risk was controllable on the whole.

LEGAL RISK

Legal risk is the risk of incurring legal sanctions, regulatory penalties, financial losses, reputational losses or other negative consequences that arises out of or in connection with our failure to comply with relevant laws, regulations, administrative rules, regulatory provisions or requirements of other relevant rules during our operation; the unfavourable legal defects that exist in products, services or information provided to clients, transactions engaged in, and contracts, agreements or other documents executed by us; legal disputes (litigation or arbitration proceedings) between us and our clients, counterparties and stakeholders; important changes in relevant laws and regulations, administrative rules, regulatory provisions and other relevant rules; and other relevant legal events that occur internally and externally.

Based on the objective to ensure legal and compliant operation, we always attach great importance to establishing a sound legal risk management system, forming a full-process legal risk prevention and control mechanism to support and secure business innovation and market competition, and to prevent and eliminate various potential or practical legal risks. The Board of Directors is responsible for reviewing and determining the strategy and policy relating to legal risk management and assumes the ultimate responsibility of legal risk management. The senior management is responsible for executing the strategy and policy relating to legal risk management, examining and approving relevant important affairs. The Legal Affairs Department of the head office is in charge of legal risk management across the Group, with relevant business departments providing related support and assistance on legal risk prevention and control. Our affiliates, domestic and overseas branches undertake the responsibility of legal risk management of their respective institutions.

In 2020, we continued to strengthen legal risk management, by improving the risk prevention and control capacity in legal risk management, ensuring the legal and compliant operation, healthy business development and overall business stability of the Group. In accordance with new laws and regulations such as the Civil Code, our business rules and relevant agreements were continuously improved, and legal risk prevention and control in key areas and links was further pushed forward in line with new requirements of financial regulators. We also improved both the vertical interconnection and horizontal coordination mechanism between the head office and branches. By systematically embedding legal risk prevention and control into business negotiations, product design, contract signing and other links, we made risk prevention and control more prospective, proactive and targeted. We improved the cross-border coordination and management for legal work and strengthened the legal risk management of overseas institutions, properly responding to cross-border legal issues emerging in the development of international operations. Moreover, we ameliorated the function design and management mechanic for the electronic signing system, to strengthen our strict control of seal use in business contracts during the whole process, and effectively prevent and control operational risk, legal risk and reputational risk caused by misuse of contract seal. We reinforced authorisation management, related party management, trademark management and intellectual property protection, and made efforts to effectively institutionalise risk management and control and refine the structure of the system. A variety of legal means were utilised comprehensively to improve the effectiveness of collection, practically cement the risk prevention and control of sued cases, avoid and reduce risk losses. In addition to the active assist in online judicial inquiry and enforcement, we played a positive role in improving the efficiency of law enforcement and case handling by competent authorities and building a social credibility system.

ANTI-MONEY LAUNDERING

In strict compliance with anti-money laundering ("**AML**") laws and regulations of China and host countries (regions) of overseas institutions, we earnestly implemented the "risk-based" regulatory requirements in respect of AML, and sincerely fulfiled the legal obligations and social responsibilities concerning AML, thus further enhancing the quality and efficiency of AML work.

We pushed forward the all-around building of the Group's AML management capability by starting the "AML Management Capability Improvement Project". AML training and education activities covering "learning, training, speaking and testing" were organised and conducted, to popularise AML knowledge and improve AML skills. The governance of customer identification and the management and control of high-risk areas were effectively boosted, for the purpose of comprehensively reconstructing a money laundering risk assessment system integrating "customers, products and institutions". Besides, the prevention and control of sensitive information risks was intensified, and the research, judgment and reporting of suspicious transactions was reinforced, to facilitate the intelligent construction of AML system in an orderly manner, and build an intelligent, open, shared and integrated AML ecosystem.

Save as disclosed under "*Risk Factors – Other Risks Relating to Our Business – We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities*", we are not currently aware of any money laundering or terrorist financing activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations.

REPUTATIONAL RISK

Reputational risk is defined as the risk of negative comments on us from stakeholders, the public or the media as a result of our behaviours or practitioners or external events, thereby damaging brand value, detrimental to normal operation, and even affecting market and social stability. Reputational risk may arise in any part of our operation and management, and usually co-exists and correlates with credit risk, market risk, operational risk and liquidity risk. Good reputation is central to the operation and management of a commercial bank. We highly value our reputation and have incorporated reputational risk management in our corporate governance and enterprise risk management system to prevent reputational risk.

The Board of Directors is responsible for reviewing and finalising bank-wide policies concerning reputational risk management that are in line with our strategic objective, establishing a bank-wide system of reputational risk management, monitoring the overall status and effectiveness of reputational risk management across the Group and assuming the ultimate responsibility for reputational risk management. The senior management is responsible for leading reputational risk management, implementing the strategies and policies established by the Board of Directors, reviewing and finalising the rules, measures and operating procedures for reputational risk management, preparing plans for responding to and coping with extraordinarily major reputational risk events and ensuring the proper and effective operation of the reputational risk management system. We have established a special reputational risk management team to take charge of the daily management of reputational risk.

In 2020, we kept improving the structure of reputational risk management system, to optimise relevant working mechanism and enhance reputational risk management. For the improvement of institutional construction, a sound responsibility review and identification mechanism for reputational risk events was established, to consolidate the main management responsibilities, strengthen the governance of reputational risk sources, and mitigate hidden reputational risk in an active and effective manner. In addition, we promptly responded to social focuses and public concerns, and organised and promoted influential brand communication activities, to enhance our brand image. In 2020, our reputational risk was stable and within a controllable range.

COUNTRY RISK

Country risk is the risk incurred to a bank arising from the inability or refusal by the borrower or debtor to repay bank debt, losses suffered by the bank or its commercial presence in such country or region and other losses due to economic, political and social changes and events in a country or a region. Country risk may be triggered by deterioration of economic conditions, political and social turmoil, asset nationalisation or expropriation, government's refusal to pay external debt, foreign exchange control or currency depreciation in a country or a region.

We strictly observe regulatory requirements on country risk management. The Board of Directors assumes the ultimate responsibility for the effectiveness of country risk management. The senior management is responsible for executing the country risk management policies approved by the Board of Directors. The Risk Management Committee of the head office is responsible for reviewing matters regarding country risk management. We manage and control country risk with a series of tools, including country risk assessment and rating, country risk limit, country risk exposure calculation and monitoring and stress testing. We review the country risk rating and limits at least once every year.

In 2020, facing the increasingly complicated international political and economic environment under the COVID-19 pandemic, we strictly abode by regulatory requirements and, with consideration of our business development needs, continued to strengthen country risk management. We closely observed changes in country risk exposures, constantly tracked, monitored and reported country risk, and timely updated and adjusted the country risk rating and limits. We continued to strengthen early warning mechanism for country risk, proactively conducted stress testing on country risk and reasonably and effectively controlled country risk while steadily promoting internationalisation.

INTERNAL CONTROL

The Board of Directors is responsible for formulating the basic regulations for internal control and supervising the implementation of such regulations. The Audit Committee and the Related Party Transactions Control Committee of the Board of Directors perform the responsibilities of internal control management and review the effectiveness of internal control. We have set up the Internal Audit Bureau and the Internal Audit Sub-bureau, which adopt a hierarchical management system and are responsible to and report to the Board of Directors. The head office and branches have internal control and compliance departments which are responsible for the organisation, promotion and coordination of internal control.

The internal control environment has been optimised continuously. We continued to improve the operational mechanism featuring "scientific decision-making, effective supervision and stable operation", promoted the epidemic prevention and control and our high-quality innovative development, and pushed forward the implementation of major strategies such as the No. 1 Personal Bank Strategy, the Preferred Bank Strategy for Domestic Foreign Exchange Business, and the Strategy for Sharpening Competitive Edge in Key Regions. We practiced the responsibilities of a large bank, and continued to promote green credit, inclusive finance and targeted poverty alleviation, and provided credit support for epidemic prevention and control and enterprises' resumption of work and production. We carried out the campaign of "Year of Policy Governance" to cultivate compliance culture.

The risk governance ability has been enhanced in an all-round way. We enriched enterprise risk management in the new era, clarified the global, comprehensive and brand-new risk management requirements involving all personnel, spanning all processes and covering all risk exposures and the risk governance path of "active prevention, smart control and comprehensive management". We built an intelligent credit risk prevention and control system by pool, region and segment, and improved the credit risk mitigation measures. We kept a close eye on the business exposures and trading risks of global markets and each institution and made overall planning for market risk management. We comprehensively optimised the operational risk management system and continued to conduct governance and prevention of major operational risks. We paid close attention to the impact of the epidemic, external political, economic and other environmental changes, and kept tracking and monitoring country risk. We implemented the reporting mechanism composed of monthly report on public opinions, daily express and real-time reporting, and consolidated the primary responsibility for reputational risk.

The business control measures have been intensified continuously. We promoted the application of intelligent risk control system to realise the risk monitoring of the whole spectrum of corporate customers and the whole life cycle of accounts. We accelerated the establishment of a new internal accounting management system and strengthened the risk control of internal accounts. We optimised the system governance mechanism and enhanced our system governance capability. We pushed forward the implementation of Internal Control Manual by tier and line to improve internal control. We issued the Anti-money Laundering Rules (Version 2020) to further improve the anti-money laundering governance system. We improved the "authenticity" review mechanism in the credit field, optimised the underlying asset penetration management and transaction management and control system for wealth management business, and established the foreign exchange business competitiveness assessment index system and foreign exchange deposit and loan pricing authorisation mechanism. We continuously optimised the credit card anti-fraud strategy and system function, and constantly improved the supervision of key links in the process of and after the event.

The information sharing quality has been constantly improved. We expanded the breadth and depth of information disclosure to comprehensively improve the quality of information disclosure. We advanced the construction of smart banking ECOS project and new-generation cloud platform to ensure the safe and stable operation of information system. We adhered to place equal emphasis on the establishment of a long-acting mechanism of "solid foundation by risk control" and the strict punishment of areas with a high incidence of cases, established a grid-based intelligent management and control system for abnormal behaviour, and strengthened the basic management of case prevention.

The internal supervision has been significantly enhanced. The three lines of defence for risk prevention and control worked together to give play to the big supervision system. We optimised the internal control assessment mechanism and enhanced the ability of "promoting management by assessment". We carried out review of the crackdown on market chaos and strengthened internal audit supervision. We promoted the remediation of problems found in internal and external inspections and clarified that the Responsibility Identification Committee and the Accountability Committee should be responsible for investigating responsibility for various risks. We consolidated the closed-loop management of supervision and inspection and improved the accuracy and deterrence of accountability.

ASSETS AND LIABILITIES

Prospective investors should read the discussion and analysis of our financial condition and results of operations together with our audited consolidated financial statements as at and for the years ended 31 December 2018, 2019 and 2020 together with the related notes thereto incorporated by reference in this Offering Circular. Save as described under "Presentation of Information" in this Offering Circular, the consolidated financial information set forth below is derived from the financial statements incorporated by reference in this Offering Circular. Unless otherwise stated, all financial data discussed in this section are consolidated financial data.

ASSETS

As at 31 December 2018, 2019 and 2020, our total assets amounted to RMB27,699,540 million, RMB30,109,436 million and RMB33,345,058 million, respectively. Our assets primarily comprise (i) loans and advances to customers, (ii) investment, (iii) cash and balances with central banks, (iv) due from banks and other financial institutions and (v) reverse repurchase agreements.

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

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Loans and advances to customers, gross	15,419,905	–	16,761,319	–	18,624,308	–
Add: Accrued interest	38,958	–	43,731	–	42,320	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost[(1)]	413,177	–	478,730	–	530,300	–
Net loans and advances to customers	15,046,132	54.3	16,326,552	54.2	18,136,328	54.4
Investment	6,754,692	24.4	7,647,117	25.4	8,591,139	25.8
Cash and balances with central banks	3,372,576	12.2	3,317,916	11.0	3,537,795	10.6
Due from banks and other financial institutions	962,449	3.5	1,042,368	3.5	1,081,897	3.2
Reverse repurchase agreements	734,049	2.6	845,186	2.8	739,288	2.2
Other assets	829,642	3.0	930,297	3.1	1,258,611	3.8
Total assets	27,699,540	100.0	30,109,436	100.0	33,345,058	100.0

Note:

(1) 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.

As at 31 December 2019, we had total assets of RMB30,109,436 million, representing an increase of 8.7 per cent. from total assets of RMB27,699,540 million as at 31 December 2018, of which loans and advances to customers increased by RMB1,341,414 million, or 8.7 per cent., investment increased by RMB892,425 million, or 13.2 per cent., and cash and balances with central banks decreased by RMB54,660 million, or 1.6 per cent. In terms of structure, net loans and advances to customers accounted for 54.2 per cent. of total assets, representing a decrease of 0.1 per cent. from 31 December 2018; investment accounted for 25.4 per cent. of total assets, representing an increase of 1.0 per cent. from 31 December 2018; cash and balances with central banks accounted for 11.0 per cent. of total assets, representing a decrease of 1.2 per cent. from 31 December 2018; due from banks and other financial

institutions accounted for 3.5 per cent. of total assets, representing no change in percentage from 31 December 2018; reverse repurchase agreements accounted for 2.8 per cent. of total assets, representing an increase of 0.2 per cent. from 31 December 2018; and other assets accounted for 3.1 per cent. of total assets, representing an increase of 0.1 per cent. from 31 December 2018.

As at 31 December 2020, we had total assets of RMB33,345,058 million, representing an increase of 10.7 per cent. from total assets of RMB30,109,436 million as at 31 December 2019, of which loans and advances to customers increased by RMB1,862,989 million, or 11.1 per cent., investment increased by RMB944,022 million, or 12.3 per cent., and cash and balances with central banks increased by RMB219,879 million, or 6.6 per cent. In terms of structure, net loans and advances to customers accounted for 54.4 per cent. of total assets, representing an increase of 0.2 per cent. from 31 December 2019; investment accounted for 25.8 per cent. of total assets, representing an increase of 0.4 per cent. from 31 December 2019; cash and balances with central banks accounted for 10.6 per cent. of total assets, representing a decrease of 0.4 per cent. from 31 December 2019; due from banks and other financial institutions accounted for 3.2 per cent. of total assets, representing a decrease of 0.3 per cent. from 31 December 2019; reverse repurchase agreements accounted for 2.2 per cent. of total assets, representing a decrease of 0.6 per cent. from 31 December 2019; and other assets accounted for 3.8 per cent. of total assets, representing an increase of 0.7 per cent. from 31 December 2019.

Loans and Advances to Customers

We provide a broad range of loan products to our customers, the majority of which are denominated in Renminbi. Loans and advances to customers are the largest component of our assets. As at 31 December 2018, 2019 and 2020, our net loans and advances to customers accounted for 54.3 per cent., 54.2 per cent. and 54.4 per cent., respectively, of our total assets. For a description of the loan products we offer, see "*Description of the Bank – Our Business Operations*".

Unless otherwise indicated in this Offering Circular, the following discussion is based on our gross loans and advances to customers, before taking into account the related allowance for impairment losses, rather than our net loans and advances to customers. Our loans and advances to customers are reported net of the allowance for impairment losses on our consolidated statement of financial position.

Our gross loans and advances to customers increased by 8.7 per cent. from RMB15,419,905 million as at 31 December 2018 to RMB16,761,319 million as at 31 December 2019. As at 31 December 2020, our gross loans and advances to customers amounted to RMB18,624,308 million, representing an increase of 11.1 per cent. compared to 31 December 2019.

The loan disbursement volume and availability progress exceed the same-period levels of the past few years. In 2020, we strengthened our support for the real economy, by supporting the key areas such as major infrastructure projects under construction and for weakness improvement, advanced manufacturing, national strategic regions, private enterprises and inclusive finance, as well as the financing demands of resident households for owner-occupied houses. As at 31 December 2020, RMB denominated loans of domestic branches were RMB16,805,218 million, representing an increase of 12.6 per cent. as compared to 31 December 2019.

In 2018, 2019 and 2020, we strengthened support for key projects and programs in the "four regions" (western regions, northeastern regions, eastern regions and central regions) and the "Three Supporting Belts" (the "Belt and Road", the coordinated development of the Beijing-Tianjin-Hebei region and the development of the Yangtze River Delta Integration). Moreover, we established the Inclusive Finance Department and took active steps to support small and micro businesses, "agriculture, rural areas and rural residents", "mass entrepreneurship and innovations" and poverty relief. We focused on "cutting overcapacity, reducing excess inventory and deleveraging" to reduce financial resources tied up by inefficient industries and enterprises. Furthermore, we actively supported the residents' rational demand for housing financing.

Distribution of Gross Loans and Advances to Customers by Business Line

The following table sets forth a breakdown of our gross loans and advances to customers by business line as at the dates indicated.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Corporate loans	9,418,894	61.0	9,955,821	59.4	11,102,733	59.6
Discounted bills	364,437	2.4	421,874	2.5	406,296	2.2
Personal loans	5,636,574	36.6	6,383,624	38.1	7,115,279	38.2
Total	15,419,905	100.0	16,761,319	100.0	18,624,308	100.0

As at 31 December 2018, 2019 and 2020, our corporate loans accounted for 61.0 per cent., 59.4 per cent. and 59.6 per cent., respectively, of our gross loans and advances to customers; and our personal loans accounted for 36.6 per cent., 38.1 per cent. and 38.2 per cent., respectively, of our gross loans and advances to customers.

The total size of our corporate loan portfolio has continued to grow during the periods under review. Our corporate loans increased by 5.7 per cent. from RMB9,418,894 million as at 31 December 2018 to RMB9,955,821 million as at 31 December 2019. As at 31 December 2020, our corporate loans increased by 11.5 per cent. from RMB9,955,821 million as at 31 December 2019 to RMB11,102,733 million. We actively supported the construction of ongoing infrastructure projects and major projects for making up shortcomings and offered prominent support to the high-quality development of manufacturing, to meet funding requirements of customers in anti-epidemic service sectors for continuing operations. Therefore, our corporate loans in key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region remained growing.

As at 31 December 2018, 2019 and 2020, our total discounted bills accounted for 2.4 per cent., 2.5 per cent. and 2.2 per cent., respectively, of our gross loans and advances to customers. Our discounted bills increased by RMB57,437 million to RMB421,874 million as at 31 December 2019 from RMB364,437 million as at 31 December 2018. As at 31 December 2020, our discounted bills decreased by RMB15,578 million to RMB406,296 million from RMB421,874 million as at 31 December 2019.

Our personal loans were increased from 31 December 2018 to 31 December 2020. Our total personal loans increased by 13.3 per cent. from RMB5,636,574 million as at 31 December 2018 to RMB6,383,624 million as at 31 December 2019. As at 31 December 2020, our personal loans increased by 11.5 per cent. from RMB6,383,624 million as at 31 December 2019 to RMB7,115,279 million, of which, residential mortgages grew by RMB562,036 million or 10.9 per cent. and personal business loans increased by RMB175,742 million or 50.8 per cent., which mainly due to the rapid growth of key lending products in the inclusive finance areas such as Online Revolving Loan and Quick Lending for Operation.

Corporate Loans

Distribution of corporate loans by maturity

The following table sets forth, as at the dates indicated, our corporate loans by maturity.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Short-term corporate loans[1]	2,504,493	26.6	2,458,321	24.7	2,643,212	23.8
Medium to long-term corporate loans[2]	6,914,401	73.4	7,497,500	75.3	8,459,521	76.2
Total corporate loans	9,418,894	100.0	9,955,821	100.0	11,102,733	100.0

Notes:

(1) Short-term corporate loans represent our corporate loans that have a maturity of 12 months or less according to the respective loan contracts.

(2) Medium to long-term corporate loans represent our corporate loans that have a maturity of more than 12 months according to the respective loan contracts.

Medium to long-term corporate loans constituted a relatively large proportion of our corporate loans during the periods under review. Our medium to long-term corporate loans were RMB6,914,401 million as at 31 December 2018 and increased by 8.4 per cent. to RMB7,497,500 million as at 31 December 2019, and further increased by 11.5 per cent. to RMB11,102,733 million as at 31 December 2020.

As at 31 December 2020, our short-term corporate loans amounted to RMB2,643,212 million, representing an increase by 7.5 per cent. from 31 December 2019. As at 31 December 2018, 2019 and 2020, our short-term corporate loans accounted for 26.6 per cent., 24.7 per cent., and 23.8 per cent. respectively, of our total corporate loans.

Distribution of corporate loans by industry

The following table sets forth the distribution of domestic branch loans by industry as at the dates indicated.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Transportation, storage and postal services	1,894,425	23.8	2,131,892	24.9	2,467,959	25.2
Manufacturing	1,385,463	17.4	1,445,154	16.9	1,555,382	15.9
Leasing and commercial services	1,048,548	13.2	1,187,749	13.9	1,441,688	14.8
Production and supply of electricity, heat, gas and water	919,768	11.5	934,414	10.9	995,232	10.2
Water, environment and public utility management	770,221	9.7	910,504	10.6	1,154,201	11.8
Wholesale and retail	488,031	6.1	406,532	4.7	437,283	4.5
Real estate	592,031	7.4	638,055	7.5	701,094	7.2
Construction	232,736	2.9	252,104	2.9	260,667	2.7
Mining	185,313	2.3	166,434	2.0	177,408	1.8
Science, education, culture and sanitation	170,315	2.1	208,560	2.4	245,378	2.5
Lodging and catering	95,530	1.2	88,448	1.0	83,886	0.9
Others	191,146	2.4	190,096	2.3	247,866	2.5
Total corporate loans	7,973,527	100.0	8,559,942	100.0	9,768,044	100.0

As at 31 December 2020, a majority of our corporate loan customers operated in the (i) transportation, storage and postal services, (ii) manufacturing, (iii) leasing and commercial services, (iv) water, environment and public utility management and (v) production and supply of electricity, heat, gas and water which accounted for 25.2 per cent., 15.9 per cent., 14.8 per cent., 11.8 per cent. and 10.2 per cent., respectively, of our total corporate loans as at that date. As at 31 December 2018, 2019 and 2020, the balance of our corporate loans in the top five industries in aggregate accounted for 75.6 per cent., 77.2 per cent., and 77.9 per cent., respectively, of our total corporate loans.

In 2020, we continued to propel the optimisation and adjustment of the industry's credit structure, stepped up efforts to shore up the development of the real economy, and made every effort to guarantee the funding needs of key enterprises for pandemic containment. Loans to transportation, storage and postal services increased by RMB336,067 million as compared with the end of the previous year, representing a growth rate of 15.8 per cent., mainly due to increased credit support for key projects in such areas as highways and railways. Loans to leasing and commercial services increased by RMB253,939 million, representing a growth rate of 21.4 per cent., mainly for supporting the financing needs of developing projects for people's wellbeing, projects for strengthening areas of weaknesses in infrastructure, and for serving such strategic planning areas as national new areas, development zones and free trade zones. Loans to water, environment and public utility management grew by RMB243,697 million, representing a growth rate of 26.8 per cent., mainly for steadily satisfying the investment and financing needs arising from significant projects and projects for people's livelihood in the areas of urban infrastructure construction, ecological environment protection and public services. Manufacturing loans rose by RMB110,228 million, representing an increase of 7.6 per cent., mainly due to continuously increased credit support for high-end equipment manufacturing, epidemic prevention and material guarantee. Impacted by the COVID-19 pandemic, loans to some customers in the industries of leasing and commercial services, wholesale and retail deteriorated, hence the balance of NPLs increased to some extent.

Personal Loans

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

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Residential mortgages	4,589,961	81.5	5,166,279	80.9	5,728,315	80.5
Personal consumption loans	204,162	3.6	193,516	3.0	183,716	2.6
Personal business loans	215,983	3.8	345,896	5.4	521,638	7.3
Credit card overdrafts	626,468	11.1	677,933	10.7	681,610	9.6
Total personal loans	5,636,574	100.0	6,383,624	100.0	7,115,279	100.0

As at 31 December 2020, our personal loans amounted to RMB7,115,279 million, representing an increase of RMB731,655 million or 11.5 per cent. as compared to 31 December 2019.

Residential mortgages are the largest component of our personal loans. Our residential mortgages were RMB4,589,961 million as at 31 December 2018, and increased by RMB576,318 million or 12.6 per cent. to RMB5,166,279 million as at 31 December 2019. As at 31 December 2020, our residential mortgages further increased by RMB562,036 million or 10.9 per cent. to RMB5,728,315 million as compared to 31 December 2019.

Our personal consumption loans were RMB204,162 million as at 31 December 2018, and decreased by RMB10,646 million or 5.2 per cent. to RMB193,516 million as at 31 December 2019. As at 31 December 2020, our personal consumption loans further decreased by RMB9,800 million or 5.1 per cent. to RMB183,716 million as compared to 31 December 2019.

Our personal business loans were RMB215,983 million as at 31 December 2018, and increased by RMB129,913 million or 60.1 per cent. to RMB345,896 million as at 31 December 2019, which was mainly due to the rapid growth of online lending products in the inclusive finance areas such as personal e-Mortgage Quick Loan and Quick Lending for Operation. As at 31 December 2020, our personal business loans further increased by RMB175,742 million or 50.8 per cent., which was mainly due to the rapid growth of key lending products in the inclusive finance areas such as Online Revolving Loan and Quick Lending for Operation, as compared to 31 December 2019.

Our credit card overdrafts were RMB626,468 million as at 31 December 2018, and increased by RMB51,465 million or 8.2 per cent. to RMB677,933 million as at 31 December 2019, which was primarily due to the steady growth of credit card instalment balance. As at 31 December 2020, our credit card overdrafts further increased by RMB3,677 million or 0.5 per cent. to RMB681,610 million as compared to 31 December 2019.

Distribution of Gross Loans and Advances to Customers by Geographic Area

We classify loans and advances to customers geographically based on the location of the branch that originates the loan. There is generally a high correlation between the location of the borrower and the location of the branch that originates the loan, except in the case of our head office. The following table sets forth, as at the dates indicated, the distribution of our total loans to customers by geographic area.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Head Office	723,302	4.7	774,578	4.6	772,372	4.1
Yangtze River Delta	2,823,603	18.4	3,124,793	18.6	3,582,682	19.2
Pearl River Delta	2,072,857	13.4	2,341,370	14.0	2,746,019	14.8
Bohai Rim	2,524,307	16.4	2,739,585	16.3	3,030,552	16.3
Central China	2,202,221	14.3	2,445,215	14.7	2,789,085	15.0
Western China	2,735,901	17.7	2,991,010	17.8	3,369,916	18.1
Northeastern China	759,140	4.9	798,691	4.8	841,595	4.5
Overseas and others	1,578,574	10.2	1,546,077	9.2	1,492,087	8.0
Gross loans and advances to customers	15,419,905	100.0	16,761,319	100.0	18,624,308	100.0

Our loan business spans the PRC, with each of the Yangtze River Delta, Pearl River Delta, Bohai Rim, Central China and Western China regions representing more than 10 per cent. of our gross loans and advances to customers during the periods under review. The Yangtze River Delta region was our largest loan concentration during the periods under review, representing 18.4 per cent., 18.6 per cent. and 19.2 per cent., respectively, of our gross loans and advances to customers as at 31 December 2018, 2019 and 2020. Our loans in the Yangtze River Delta region were RMB2,823,603 million as at 31 December 2018, and increased by 10.7 per cent. to RMB3,124,793 million as at 31 December 2019. As at 31 December 2020, our loans in the Yangtze River Delta region further increased by 14.7 per cent. to RMB3,582,682 million as compared to 31 December 2019.

As at 31 December 2019, our overseas and other loans were RMB1,546,077 million, decreased by RMB32,497 million or 2.1 per cent. from RMB1,578,574 million as at 31 December 2018. As at 31 December 2020, our overseas and other loans further decreased by RMB53,990 million or 3.5 per cent. to RMB1,492,087 million as compared to 31 December 2019.

Borrower Concentration

As at 31 December 2020, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.5 per cent. and 14.8 per cent. of our net capital, respectively. As at 31 December 2020, the total amount of loans granted to the top ten single customers was RMB501,463 million, accounting for 2.7 per cent. of the total loans. The table below shows the details of the loans granted to our top ten single borrowers as at 31 December 2020.

		As at 31 December 2020	
	Industry	**Amount**	**% of total loans(1)**
	(in RMB millions, except percentages)		
Borrower A	Transportation, storage and postal services	117,828	0.6
Borrower B	Transportation, storage and postal services	66,444	0.4
Borrower C	Finance	57,007	0.3
Borrower D	Finance	48,375	0.3
Borrower E	Transportation, storage and postal services	44,656	0.2
Borrower F	Transportation, storage and postal services	39,407	0.2
Borrower G	Finance	37,893	0.2
Borrower H	Production and supply of electricity, heat, gas and water	32,668	0.2
Borrower I	Transportation, storage and postal services	28,646	0.2
Borrower J	Transportation, storage and postal services	28,539	0.1
Total		501,463	2.7

Note:

(1) Represents loan balances as a percentage of our total loans.

Loan Interest Rate Profile

In recent years, as part of the overall reform of the PRC banking system, the PBOC has implemented a series of initiatives to gradually liberalise interest rates and move towards a more market-based interest rate regime. In July 2013, the PBOC removed the lower limit of the floating range of lending interest rates, providing more flexibility to commercial banks in the PRC to determine their own lending interest rates. To manage interest rate risk, we usually set a floating interest rate for loans with a maturity period of more than one year. We generally set a fixed interest rate for loans with a maturity period equal to or less than one year. For personal loans with floating interest rates, we generally adjust our interest rates on the first day of the year that is subsequent to the year in which the benchmark interest rates are adjusted. For corporate loans with floating interest rates, we generally adjust our interest rates on the anniversary of the date upon which the loan agreement was executed.

On 25 October 2013, PBOC introduced a new prime lending rate, officially known as the "loan prime rate" ("**LPR**"), which is based on a weighted average of lending rates from nine commercial banks. For the purposes of deepening the market-oriented reform of interest rate, on 17 August 2019, the PBOC issued the Announcement on the Decision to Reform and Improve the Formation Mechanism of Loan Prime Rate (LPR) (Announcement No. 15 [2019] of the PBOC) *(中國人民銀行公告[2019]第15號–關於中國人民銀行決定改革完善貸款市場報價利率(LPR)形成機制的公告)* (the "**Announcement**"). According to the Announcement, all banks shall take the LPR as the major pricing reference for the newly granted loans and adopt the LPR as the pricing benchmark in the floating-rate loan contracts. Furthermore, the types of LPR quoting banks are expanded to include urban commercial banks, rural commercial banks, foreign-funded banks, and private banks, in addition to the original national banks, and the number of quoting banks is increased from 10 to 18. The list of such banks will be assessed and adjusted on a regular basis.

Asset Quality of Our Loan Portfolio

In determining the classification of our loan portfolio, we assess, on a case-by-case basis, the likelihood of repayment by the borrower and the collectability of principal and interest on the loan. Our assessment is generally based on a series of general principles that are derived from the CBRC and PBOC guidelines. These general principles focus on a number of factors, including (i) the borrower's ability to repay the loan, based on such factors as the borrower's financial condition, its profitability and cash flow; (ii) the borrower's repayment history; (iii) the borrower's willingness to repay; (iv) the level of security provided depending on the type and value of collateral; (v) the prospect for support from any financially responsible guarantor; (vi) the remaining maturity of the loan; (vii) the structure and the seniority of the loan; and (viii) the length of time by which payment of principal or interest on a loan is overdue. The following is a summary of these general principles:

Pass. Loans may be classified as "pass" only if the borrowers are able to honour the terms of their loans and there is no reason to doubt that the principal and interest payments will not be made in full and on a timely basis. Loans in the pass category generally demonstrate one or more of the following characteristics:

- The borrower maintains sound operations and generates adequate cash flows.
- Principal and interest payments on the loan are made on a timely basis.
- The guarantee or collateral securing the loan, if any, is valid, effective and sufficient.

Special mention. Loans may be classified as "special mention" if the borrowers have the current ability to repay principal and interest on the loans but the following adverse circumstances exist:

- The operational and financial status of the borrower has changed.
- The value of collateral has decreased or the operational and financial status of the guarantor has changed.
- Macroeconomic, industry or market conditions have changed.

Substandard. Loans may be classified as "substandard" if the borrowers' inability to repay loans becomes evident to the extent that they are unable to rely solely on their ordinary course of operations to repay principal or interest on the loans and it becomes evident that we will incur certain loan losses even if any collateral or guarantees securing the loans are enforced. Loans in the substandard category generally demonstrate the following characteristics:

- The borrower has difficulty in repaying the loan.
- The loan needs to be restructured due to adverse changes in the borrower's financial condition or its inability to make payments.

Doubtful. Loans may be classified as "doubtful" if the borrowers become unable to repay principal and interest on the loans in full and it becomes evident that we will incur significant loan losses even if any collateral or guarantees securing the loans are enforced. Loans in the doubtful category generally demonstrate the following characteristics:

- The borrower has completely or partially suspended its operations.
- The project for which the loan was extended has been terminated or suspended due to funding shortages, worsening operating conditions, litigation or other reasons.
- The loan is still overdue or the borrower is still unable to repay the loan in full notwithstanding its restructuring.

Loss. Loans may be classified as a "loss" if none or only a small portion of the principal and interest on the loans can be recovered after exhausting all possible measures and legal remedies.

Distribution of Loans by Five-Category Loan Classification System

The following table sets forth, as at the dates indicated, our loans to customers in each category of our five-category loan classification system. Loans classified as Substandard, Doubtful or Loss are considered NPLs.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Pass	14,733,891	95.56	16,066,266	95.86	17,918,430	96.21
Special mention	450,930	2.92	454,866	2.71	411,900	2.21
Subtotal	15,184,821	98.48	16,521,132	98.57	18,330,330	98.42
Substandard	108,821	0.70	97,864	0.58	114,438	0.61
Doubtful	90,383	0.59	113,965	0.68	149,926	0.81
Loss	35,880	0.23	28,358	0.17	29,614	0.16
Subtotal	235,084	1.52	240,187	1.43	293,978	1.58
Gross loans and advances to customers	15,419,905	100.00	16,761,319	100.00	18,624,308	100.00
NPL ratio[(1)]		1.52		1.43	1.58	

Note:

(1) Calculated by dividing the balance of NPL by total balance of gross loans and advances to customers.

As at 31 December 2018, 2019 and 2020, the NPL ratios of our total loan portfolio were 1.52 per cent., 1.43 per cent. and 1.58 per cent., respectively. With all kinds of risks under effective control, as at 31 December 2020, the NPL ratio was 1.58 per cent., which was maintained within a stable range and the ratios of both overdue loans and special mention loans fell. 2020 was also the first year that our price scissors between overdue loans and NPLs turned negative. During 2020, our allowance to NPLs was 180.68 per cent., showing a decrease of 18.64 percentage points over the end of 2019.

Distribution of NPLs by Business Line

The following table sets forth, as at the dates indicated, our NPLs by business line.

	As at 31 December								
	2018			2019			2020		
	Amount	% of total	NPL ratio[(1)] (%)	Amount	% of total	NPL ratio[(1)] (%)	Amount	% of total	NPL ratio[(1)] (%)
	(in RMB millions, except percentages)								
Corporate loans	194,696	82.82	2.07	200,722	83.57	2.02	253,815	86.34	2.29
Discounted bills	268	0.11	0.07	623	0.26	0.15	622	0.21	0.15
Personal loans	40,120	17.07	0.71	38,842	16.17	0.61	39,541	13.45	0.56
Total NPLs	235,084	100.00	1.52	240,187	100.00	1.43	293,978	100.00	1.58

Note:

(1) Calculated by dividing the balance of NPL in each category by total balance of gross loans and advances to customers in that category.

As at 31 December 2019, the balance of non-performing corporate loans stood at RMB200,722 million, representing an NPL ratio of 2.02 per cent., an increase of RMB6,026 million or 3.1 per cent. from RMB194,696 million as at 31 December 2018. As at 31 December 2020, the balance of non-performing corporate loans stood at RMB253,815 million, representing an NPL ratio of 2.29 per cent. and an increase of RMB53,093 million or 26.45 per cent. from RMB200,722 million as at 31 December 2019.

As at 31 December 2019, the balance of non-performing personal loans stood at RMB38,842 million, representing an NPL ratio of 0.61 per cent. and a decrease of RMB1,278 million or 3.2 per cent. from RMB40,120 million as at 31 December 2018. As at 31 December 2020, the balance of non-performing personal loans stood at RMB39,541 million, representing an NPL ratio of 0.56 per cent. and an increase of RMB699 million or 1.8 per cent. from RMB38,842 million as at 31 December 2019.

As at 31 December 2019, the balance of non-performing discounted bills stood at RMB623 million, representing an NPL ratio of 0.15 per cent. and increase of RMB355 million or 132.5 per cent. from RMB268 million as at 31 December 2018. As at 31 December 2020, the balance of non-performing discounted bills decreased by RMB1 million or 0.2 per cent. to RMB622 million as compared to 31 December 2019.

Distribution of NPLs by Geographic Areas

The following table sets forth, as at the dates indicated, the distribution of our NPLs by geographic areas.

	As at 31 December								
	2018			2019			2020		
	Amount	% of total	NPL ratio[(1)] (%)	Amount	% of total	NPL ratio[(1)] (%)	Amount	% of total	NPL ratio[(1)] (%)
	(in RMB millions, except percentages)								
Head Office	20,036	8.52	2.77	20,725	8.63	2.68	21,603	7.35	2.80
Yangtze River Delta	24,195	10.29	0.86	26,024	10.83	0.83	45,304	15.41	1.26
Pearl River Delta	30,480	12.97	1.47	23,629	9.84	1.01	31,540	10.73	1.15
Bohai Rim	54,489	23.18	2.16	49,037	20.42	1.79	71,763	24.41	2.37
Central China	36,401	15.48	1.65	35,638	14.84	1.46	38,584	13.12	1.38
Western China	35,572	15.13	1.30	40,164	16.72	1.34	47,788	16.26	1.42
Northeastern China	25,186	10.72	3.32	35,944	14.97	4.50	28,411	9.66	3.38
Overseas and others	8,725	3.71	0.55	9,026	3.76	0.58	8,985	3.06	0.60
Total NPLs	235,084	100.0	1.52	240,187	100.00	1.43	293,978	100.00	1.58

Note:

(1) Calculated by dividing the balance of NPL from each geographic area by total balance of gross loans and advances to customers in that region.

Comparing to 31 December 2019, as at 31 December 2020, the Central China and Northeastern China regions witnessed decreases in NPL ratios; the head office, Yangtze River Delta, Pearl River Delta, Bohai Rim, Western China and Overseas and others regions witnessed increases in NPL ratios.

Distribution of Non-performing Corporate Loans of Domestic Branches by Industry

The following table sets forth, as at the dates indicated, the distribution of our non-performing corporate loans of domestic branches (excluding discounted bills) by industry.

	As at 31 December								
	2018			2019			2020		
	Amount	% of total	NPL ratio[1] (%)	Amount	% of total	NPL ratio[1] (%)	Amount	% of total	NPL ratio[1] (%)
	(in RMB millions, except percentages)								
Transportation, storage and postal services	15,016	8.0	0.79	17,466	9.1	0.82	20,683	8.4	0.84
Manufacturing	79,790	42.8	5.76	73,976	38.5	5.12	65,361	26.7	4.20
Production and supply of electricity, heat, gas and water	2,113	1.1	0.23	1,900	1.0	0.20	3,977	1.6	0.40
Leasing and commercial services	6,279	3.4	0.60	11,664	6.1	0.98	31,242	12.7	2.17
Water, environment and public utility management	1,718	0.9	0.22	4,122	2.1	0.45	8,425	3.4	0.73
Wholesale and retail	52,588	28.2	10.78	42,492	22.1	10.45	60,272	24.6	13.78
Real estate	9,823	5.3	1.66	10,936	5.7	1.71	16,238	6.6	2.32
Mining	3,966	2.1	2.14	7,305	3.8	4.39	7,593	3.1	4.28
Construction	3,749	2.0	1.61	5,344	2.8	2.12	8,636	3.5	3.31
Science, education, culture and sanitation	1,461	0.8	0.86	3,214	1.7	1.54	5,462	2.2	2.23
Lodging and catering	4,951	2.7	5.18	7,163	3.7	8.10	11,743	4.8	14.00
Others	4,962	2.7	2.60	6,511	3.4	3.43	5,495	2.2	2.22
Total non-performing corporate loans	186,416	100.0	2.34	192,093	100.0	2.24	245,127	100.0	2.51

Note:

(1) Calculated by dividing the balance of NPL from each category by the total balance of gross loans and advances to customers in that category.

The NPL ratio of our loans in the manufacturing sector amounted to 5.76 per cent. as at 31 December 2018 and decreased to 5.12 per cent. as at 31 December 2019, and further decreased to 4.20 per cent. as at 31 December 2020.

The NPL ratio of our loans in the wholesale and retail sector amounted to 10.78 per cent. as at 31 December 2018 and decreased slightly to 10.45 per cent. as at 31 December 2019. As at 31 December 2020, the NPL ratio of our loans in the wholesale and retail sector increased to 13.78 per cent.

The NPL ratio of our loans in the transportation, storage and postal services sector amounted to 0.79 per cent. as at 31 December 2018 and increased to 0.82 per cent. as at 31 December 2019 and further increased to 0.84 per cent. as at 31 December 2020.

The NPL ratio of our loans in the real estate sector amounted to 1.66 per cent. as at 31 December 2018 and increased to 1.71 per cent. as at 31 December 2019 and further increased to 2.32 per cent. as at 31 December 2020.

Loan Aging Schedule

The following table sets forth, as at the dates indicated, our loan aging schedule for our gross loans and advances to customers.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Current loans	15,149,973	98.25	16,493,103	98.40	18,356,801	98.56
Loans past due[(1)] for:						
Less than 3 months	91,153	0.59	83,084	0.50	98,963	0.54
3 months to 1 year	83,846	0.54	89,625	0.53	74,820	0.40
1 to 3 years	63,010	0.41	66,848	0.40	72,467	0.39
Over 3 years	31,923	0.21	28,659	0.17	21,257	0.11
Subtotal	269,932	1.75	268,216	1.60	267,507	1.44
Gross loans and advances to customers	15,419,905	100.00	16,761,319	100.00	18,624,308	100.00

Note:

(1) Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by instalments, the total amount of loans is deemed overdue if part of the instalments is overdue.

The proportion of our loans and advances to customers that were deemed overdue was 1.75 per cent. as at 31 December 2018. As at 31 December 2019, the proportion of our loans and advances to customers that decreased to 1.60 per cent. and the proportion of our loans and advances to customers further decreased to 1.44 per cent as at 31 December 2020.

Allowance for Impairment Losses on Loans and Advances to Customers

For the year ended 31 December 2017, we assessed our loans and advances to customers for impairment, determine the level of allowance for impairment losses and recognise any related provisions made in a period based on the guidelines for impairment under IAS 39. Our loans and advances to customers were reported net of the allowance for impairment losses on our consolidated statement of financial position. With respect to corporate loans, where there was objective evidence of possible impairment as a result of events occurring after the initial recognition of loans that may affect the estimated future cash flows of the loans, we performed assessments on such loans to determine the allowance for impairment losses. The allowance for impairment losses of each of the loans was measured as the difference between the carrying value and the estimated recoverable amounts of the loans. The estimated recoverable amounts represent the present value of the estimated future cash flows of the loans, including, among others, the recoverable value of the collateral. Corporate and personal loans classified as pass and special mention, for which no evidence of impairment had been identified, were assessed collectively for the purpose of determining the allowance for impairment losses. The allowance for impairment losses of collectively assessed loans was determined primarily based on our historical loss experience in similar portfolios and the prevailing economic conditions.

From 1 January 2018, we adopted IFRS 9 which introduced new requirements for measurement of impairment for financial assets. The new impairment model in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss ("**ECL**")" model. Under the ECL model, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Instead, we are required to recognise and measure either a 12-month expected credit loss or lifetime expected credit loss, depending on the asset and the facts and circumstances which results in an early recognition of credit losses. For the year ended 31 December 2018, except for credit-impaired corporate loans and advances to customers, we continued to measure our ECL based on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. For the impairment loss on

credit-impaired corporate loans and advances to customers, we applied the cash flow discount method. The amount of the impairment loss on credit-impaired corporate loans and advances is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate, and the allowance for impairment loss is deducted in the carrying amount.

For a description of our methods in calculating the estimated recoverable amount of loans, see Notes 3(6) and 51(a) to our audited consolidated financial statements as at and for the year ended 31 December 2019, incorporated by reference in this Offering Circular.

Changes to the Allowance for Impairment Losses

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
As at 1 January 2020	215,316	78,494	184,688	478,498
Transfer:				
To stage 1:	24,002	(22,507)	(1,495)	–
To stage 2:	(6,913)	9,311	(2,398)	–
To stage 3:	(4,838)	(53,754)	58,592	–
Charge/(reverse)	(2,984)	78,244	95,941	171,201
Write-offs and transfer out	–	(7)	(120,317)	(120,324)
Recoveries of loans and advances previously written off	–	–	4,977	4,977
Other movements	(880)	(630)	(2,542)	(4,052)
As at 31 December 2020	223,703	89,151	217,446	530,300

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2019:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
As at 1 January 2019	158,084	81,406	173,241	412,731
Transfer:				
To stage 1:	17,451	(14,987)	(2,464)	–
To stage 2:	(6,868)	12,775	(5,907)	–
To stage 3:	(959)	(28,755)	29,714	–
Charge	47,364	28,014	86,944	162,322
Write-offs and transfer out	–	(91)	(97,562)	(97,653)
Recoveries of loans and advances previously written off	–	–	3,302	3,302
Other movements	244	132	(2,580)	(2,204)
As at 31 December 2019	215,316	78,494	184,688	478,498

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2018:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
As at 1 January 2018	107,961	111,867	152,770	372,598
Transfer:				
To stage 1:	19,393	(17,976)	(1,417)	–
To stage 2:	(4,901)	5,493	(592)	–
To stage 3:	(2,869)	(40,413)	43,282	–
Charge	38,217	24,083	85,074	147,374
Write-offs and transfer out	(338)	(2,294)	(106,146)	(108,778)
Recoveries of loans and advances previously written off	–	–	2,141	2,141
Other movements	621	646	(1,871)	(604)
As at 31 December 2018	158,084	81,406	173,241	412,731

Our allowance for impairment losses on loans as at 31 December 2019 amounted to RMB478,730 million, representing an increase of RMB65,553 million, or 15.9 per cent. from RMB413,177 million as at 31 December 2018. As at 31 December 2020, our allowance for impairment losses on loans amounted to RMB531,161 million, representing an increase of RMB52,431 million or 11.0 per cent. as compared to 31 December 2019.

Investment

Our investment portfolio consists of listed and unlisted Renminbi-denominated and foreign currency-denominated securities and other financial assets. Investment represented 24.4 per cent., 25.4 per cent. and 25.8 per cent., respectively, of our total assets as at 31 December 2018, 2019 and 2020.

As at 31 December 2020, our financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost amounted to RMB784,483 million, RMB1,540,988 million and RMB6,265,668 million, respectively.

Our investment portfolio increased by 13.2 per cent. from RMB6,754,692 million as at 31 December 2018 to RMB7,647,117 million as at 31 December 2019, and further increased by 12.3 per cent. to RMB8,591,139 million as at 31 December 2020.

Distribution of Our Investment by Investment Category

The following tables set forth, as at the dates indicated, the distribution of our investments by category.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Bonds	6,049,076	89.6	6,862,850	89.7	8,054,193	93.8
Equity instruments	57,909	0.9	135,882	1.8	175,698	2.0
Funds and others[(1)]	563,346	8.3	558,366	7.3	262,800	3.1
Accrued interest	84,361	1.2	90,019	1.2	98,448	1.1
Total investment	6,754,692	100.0	7,647,117	100.0	8,591,139	100.0

Note:

(1) Includes assets invested by funds raised by the issuance of principal-guaranteed wealth management products by the Bank.

Debt Instruments

Our debt instruments consist of debt securities issued primarily by governments, central banks, policy banks and other institutions.

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by issuer type.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Government bonds	4,040,956	66.9	4,767,297	69.5	5,737,368	71.2
Central bank bills	32,746	0.5	21,979	0.3	32,072	0.4
Policy bank bonds	774,732	12.8	652,522	9.5	725,625	9.0
Other bonds	1,200,642	19.8	1,421,052	20.7	1,559,128	19.4
Total investment in bonds	6,049,076	100.0	6,862,850	100.0	8,054,193	100.0

Our investment in bonds increased by 13.5 per cent. from RMB6,049,076 million as at 31 December 2018 to RMB6,862,850 million as at 31 December 2019. As at 31 December 2020, our investment in bonds further increased by 17.4 per cent. to RMB8,054,193 million as compared to 31 December 2019. In 2020, we proactively supported the development of the real economy and increased our investments in local government bonds, especially the anti-epidemic government bonds and other bonds.

Distribution of investment in bonds by remaining maturity

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by remaining maturity.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Undated[(1)]	54	0.0	10	0.0	35	0.0
Less than 3 months	255,716	4.2	335,735	4.9	495,137	6.1
3 to 12 months	660,914	10.9	1,007,366	14.7	978,923	12.2
1 to 5 years	3,319,674	54.9	3,267,720	47.6	3,493,342	43.4
Over 5 years	1,812,718	30.0	2,252,019	32.8	3,086,756	38.3
Total investment in bonds	6,049,076	100.0	6,862,850	100.0	8,054,193	100.0

Note:

(1) Refers to overdue bonds.

As at 31 December 2019, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB426,471 million from 31 December 2018, representing an increase of 46.53 per cent. as compared to the year ended 31 December 2018, and bonds beyond 5-year maturity grew by RMB439,301 million or 24.23 per cent. year-on-year. As at 31 December 2020, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB130,959 million from 31 December 2019, representing an increase of 9.75 per cent. as compared to the year ended 31 December 2019, and bonds beyond 5-year maturity grew by RMB834,737 million or 37.07 per cent. as compared to the year ended 31 December 2019.

Distribution of investment in bonds by currency

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by currency.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
RMB-denominated bonds	5,547,079	91.7	6,221,395	90.7	7,388,349	91.8
U.S. dollar-denominated bonds	356,034	5.9	439,219	6.4	436,381	5.4
Other foreign currency bonds	145,963	2.4	202,236	2.9	229,463	2.8
Total investment in bonds	6,049,076	100.0	6,862,850	100.0	8,054,193	100.0

As at 31 December 2019, our RMB-denominated bonds increased by RMB674,316 million, or 12.2 per cent., U.S. dollar-denominated bonds and other foreign currency bonds increased by an equivalent of RMB83,185 million or 23.4 per cent. and RMB56,273 million or 38.6 per cent., respectively, as compared to 31 December 2018.

As at 31 December 2020, our RMB-denominated bonds increased by RMB1,166,954 million, or 18.8 per cent., USD-denominated bonds decreased by an equivalent of RMB2,838 million or 0.6 per cent. and other foreign currency bonds increased by an equivalent of RMB27,227 million or 13.5 per cent., respectively, as compared to 31 December 2019. In 2020, we improved the investment portfolio structure of foreign currency bonds and moderately increased the investment in bonds denominated in other currencies.

Investment in bonds related to restructuring

During the period from 1999 to 2001, we disposed of non-performing assets with a book value of RMB407.7 billion to Huarong and received 10-year non-transferrable bonds issued by Huarong with a nominal value of RMB313.0 billion as well as RMB94.7 billion in cash as consideration. Huarong is a wholly state-owned non-bank financial institution that has been approved by the State Council and was established in October 1999 primarily to acquire and manage non-performing assets from large commercial banks, including us. The Huarong Bonds have a fixed interest rate of 2.25 per cent. per annum.

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

Equity Investments

As at 31 December 2018, 2019 and 2020, our equity investments amounted to RMB57,909 million, RMB135,882 million and RMB175,698 million, respectively.

Other Components of Our Assets

Other components of our assets primarily consist of (i) cash and balances with central banks, (ii) due from banks and other financial institutions, net and (iii) reverse repurchase agreements.

Cash and balances with central banks primarily consist of cash on hand, mandatory reserve deposits, which consist of statutory reserve deposits with the PBOC, surplus reserve deposits and other restricted deposits. As at 31 December 2019, our cash and balances with central banks decreased to RMB3,317,916 million from RMB3,372,576 million as at 31 December 2018. As at 31 December 2020, our cash and balances with central banks increased to RMB3,537,795 million.

Due from banks and other financial institutions consists primarily of Renminbi-denominated and foreign currency-denominated inter-bank deposits and money-market placements with banks and other financial institutions. As at 31 December 2019, our due from banks and other financial institutions increased by 8.3 per cent. to RMB1,042,368 million as compared to 31 December 2018. As at 31 December 2020, our due from banks and other financial institutions further increased by 3.8 per cent. to RMB1,081,897 million.

Amounts due under reverse repurchase agreements are purchases of assets under agreements to resell equivalent assets. Our financial assets held under reverse repurchase agreements increased from RMB734,049 million as at 31 December 2018 by 15.1 per cent. to RMB845,186 million as at 31 December 2019. As at 31 December 2020, our amounts due under reverse repurchase agreements decreased by 12.5 per cent. to RMB739,288 million as compared to 31 December 2019.

LIABILITIES AND SOURCES OF FUNDS

Our total liabilities as at 31 December 2018, 2019 2020 amounted to RMB25,354,657 million, RMB27,417,433 million and RMB30,435,543 million, respectively. Our liabilities comprise primarily (i) due to customers, (ii) due to banks and other financial institutions, (iii) repurchase agreements, (iv) debt securities issued and (v) other liabilities.

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

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Due to customers	21,408,934	84.4	22,977,655	83.8	25,134,726	82.6
Due to banks and other financial institutions	1,814,495	7.2	2,266,573	8.3	2,784,259	9.1
Repurchase agreements	514,801	2.0	263,273	1.0	293,434	1.0
Debt securities issued	617,842	2.4	742,875	2.7	798,127	2.6
Others[(1)]	998,585	4.0	1,167,057	4.2	1,424,997	4.7
Total liabilities	25,354,657	100.0	27,417,433	100.0	30,435,543	100.0

Note:

(1) Others primarily consist of financial liabilities designated at fair value through profit or loss, other liabilities, income tax payable, certificates of deposit, derivative financial liabilities, due to central banks and deferred income tax liabilities.

Our total liabilities increased by 8.1 per cent. from RMB25,354,657 million as at 31 December 2018 to RMB27,417,433 million as at 31 December 2019 and further increased by 11.0 per cent. to RMB30,435,543 million as at 31 December 2020.

Due to customers is our primary source of funding and represented 84.4 per cent., 83.8 per cent. and 82.6 per cent. of our total liabilities as at 31 December 2018, 2019 and 2020, respectively.

Due to Customers

We provide demand and time deposit products to corporate and personal customers. The following table sets forth, as at the dates indicated, our deposits from customers by business line and maturity term.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Demand deposits						
Corporate customers	6,405,136	29.9	6,732,558	29.3	7,455,160	29.7
Personal customers	3,931,182	18.4	4,328,090	18.8	5,196,607	20.7
Subtotal	10,336,318	48.3	11,060,648	48.1	12,651,767	50.3
Time deposits						
Corporate customers	5,076,005	23.7	5,295,704	23.0	5,489,700	21.8
Personal customers	5,505,236	25.7	6,149,654	26.8	6,463,929	25.7
Subtotal	10,581,241	49.4	11,445,358	49.8	11,953,629	47.6
Other deposits[(1)]	268,914	1.3	234,852	1.0	261,389	1.0
Accrued interest	222,461	1.0	236,797	1.1	267,941	1.1
Total due to customers	21,408,934	100.0	22,977,655	100.0	25,134,726	100.0

Note:

(1) Includes outward remittance and remittance payables.

As at 31 December 2019, the balance due to customers was RMB22,977,655 million, representing an increase of RMB1,568,721 million or 7.3 per cent. from the end of 2018. As at 31 December 2020, the balance due to customers further increased by 9.4 per cent. to RMB2,157,071 from the end of 2019.

In terms of customer structure, as at 31 December 2019, the balance of corporate deposits increased by RMB547,121 million, or 4.8 per cent., as at 31 December 2019, and further increased by RMB916,598 million or 7.6 per cent., as at 31 December 2020. As at 31 December 2019, the balance of personal deposits increased by RMB1,041,326 million, or 11.0 per cent., as at 31 December 2019, and further increased RMB508,271 million or 4.4 per cent., as at 31 December 2020.

In terms of maturity structure, as at 31 December 2019, the balance of time deposits further increased by RMB864,117 million, or 8.2 per cent., and further increased by RMB508,271 million or 4.4 per cent., as at 31 December 2020. As at 31 December 2019, the balance of demand deposits increased by RMB724,330 million, or 7.0 per cent., and further increased by RMB1,591,119 million or 14.4 per cent., as at 31 December 2020.

The proportion of corporate deposits over total due to customers decreased from 53.6 per cent. as at 31 December 2018 to 52.3 per cent. as at 31 December 2019 and further decreased to 51.5 per cent. as at 31 December 2020.

The proportion of demand deposits over total due to customers slightly decreased from 48.3 per cent. as at 31 December 2018 to 48.1 per cent. as at 31 December 2019 and increased to 50.3 per cent. as 31 December 2020.

Distribution of Due to Customers by Geographic Area

We classify deposits geographically based on the location of the branch taking the deposit. There is generally a high correlation between the location of the depositor and the location of the branch taking the deposit. The following table sets forth our due to customers by geographic area as at the dates indicated.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Head Office	56,304	0.3	45,507	0.2	42,611	0.2
Yangtze River Delta	4,032,866	18.8	4,474,455	19.5	5,057,963	20.0
Pearl River Delta	2,726,705	12.7	2,988,476	13.0	3,335,179	13.3
Bohai Rim	5,922,781	27.7	6,212,525	27.0	6,733,969	26.8
Central China	3,064,753	14.3	3,324,189	14.5	3,608,490	14.4
Western China	3,591,835	16.8	3,801,033	16.5	4,072,459	16.2
Northeastern China	1,105,344	5.2	1,184,289	5.2	1,308,155	5.2
Overseas and others	908,346	4.2	947,181	4.1	975,900	3.9
Total due to customers	21,408,934	100.0	22,977,655	100.0	25,134,726	100.0

Distribution of Due to Customers by Remaining Maturity

The following table sets forth, as at the dates indicated, the distribution of our due to customers by remaining maturity.

	As at 31 December					
	2018		2019		2020	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except percentages)					
Demand deposits[(1)]	11,578,642	54.1	12,461,763	54.2	13,499,762	53.7
Less than 3 months	2,256,966	10.5	2,644,954	11.5	2,569,941	10.2
3 to 12 months	4,978,718	23.2	4,725,038	20.6	3,849,682	15.3
1 to 5 years	2,582,550	12.1	3,121,105	13.6	5,194,433	20.7
Over 5 years	12,058	0.1	24,795	0.1	20,908	0.1
Total due to customers	21,408,934	100.0	22,977,655	100.0	25,134,726	100.0

Note:

(1) Includes time deposits payable on demand.

Other Components of Our Liabilities

Other components of our liabilities primarily include (i) due to banks and other financial institutions, (ii) repurchase agreements and (iii) debt securities issued. Amounts due to banks and other financial institutions refer to deposits by banks and other financial institutions. As at 31 December 2019, our amounts due to banks and other financial institutions increased by 24.9 per cent. to RMB2,266,573 million from RMB1,814,495 million as at 31 December 2018. As at 31 December 2020, our amounts due to banks and other financial institutions further increased by 22.8 per cent. to RMB2,784,259 million.

Amounts due on repurchase agreements consist primarily of sales of assets under agreements to repurchase equivalent assets. As at 31 December 2019, amounts due on repurchase agreements decreased by 48.9 per cent. to RMB263,273 million from the end of 2018, which was mainly because we appropriately adjusted the size of funds raised based on our internal and external liquidity status. As at 31 December 2020, amounts due on repurchase agreements increased by 11.5 per cent. to RMB293,434 million.

Debt securities issued consists of subordinated bonds and other debt securities. As at 31 December 2019, debt securities issued increased by 20.2 per cent. to RMB742,875 million from RMB617,842 million as at 31 December 2018. As at 31 December 2020, debt securities issued further increased by 7.4 per cent. to RMB798,127 million.

The table below sets forth the particulars of the Bank's directors, supervisors and senior management as at the date of this Offering Circular:

Name	Position	Gender	Birth year
Chen Siqing	Chairman, Executive Director	Male	1960
Liao Lin	Vice Chairman, Executive Director and President	Male	1966
Lu Yongzhen	Non-executive Director	Male	1967
Zheng Fuqing	Non-executive Director	Male	1963
Feng Weidong	Non-executive Director	Male	1964
Cao Liqun	Non-executive Director	Female	1971
Chen Yifang[(1)]	Non-executive Director	Female	1964
Anthony Francis Neoh	Independent Non-executive Director	Male	1946
Yang Siu Shun	Independent Non-executive Director	Male	1955
Shen Si	Independent Non-executive Director	Male	1953
Nout Wellink	Independent Non-executive Director	Male	1943
Fred Zuliu Hu	Independent Non-executive Director	Male	1963
Zhang Wei	Shareholder Supervisor	Male	1962
Huang Li	Employee Supervisor	Male	1964
Wu Xiangjiang	Employee Supervisor	Male	1962
Qu Qiang	External Supervisor	Male	1966
Shen Bingxi	External Supervisor	Male	1952
Wang Jingwu	Senior Executive Vice President	Male	1966
Zhang Wenwu	Senior Executive Vice President	Male	1973
Xu Shouben	Senior Executive Vice President	Male	1969
Zhang Weiwu	Senior Executive Vice President	Male	1975
Wang Bairong	Chief Business Officer	Male	1962
Guan Xueqing	Board Secretary	Male	1963
Xiong Yan	Chief Business Officer	Female	1964
Song Jianhua	Chief Business Officer	Male	1965

Notes:

(1) The appointment of Ms. Chen Yifang as Non-executive Director of the Bank is subject to the consideration and approval at the general meeting of shareholders of the Bank and is subject to the approval of CBIRC.

(2) The appointment of Mr. Zhang Weiwu as Senior Executive Vice President of the Bank is subject the approval of CBIRC.

The business address of each of the directors, supervisors and senior management is No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC 100140.

Chen Siqing, Chairman, Executive Director

Mr. Chen has served as Chairman and Executive Director of the Bank since May 2019. He joined Bank of China in 1990. Mr. Chen Siqing previously worked in the Hunan Branch of Bank of China before he was dispatched to the Hong Kong Branch of China and South Sea Bank Ltd. as Assistant General Manager. Mr. Chen held various positions in Bank of China, including Assistant General Manager and Vice General Manager of the Fujian Branch, General Manager of the Risk Management Department of the Head Office, General Manager of the Guangdong Branch, Executive Vice President, President, Vice Chairman and Chairman of Bank of China. Mr. Chen served concurrently as Chairman of the Board of Directors of BOC Aviation Limited, Non-executive Director, Vice Chairman and Chairman of the Board of Directors of BOC Hong Kong (Holdings) Limited. Mr. Chen graduated from Hubei Institute of Finance and Economics and obtained a Master's degree in Business Administration (MBA) from Murdoch University, Australia in 1999. He is a Certified Public Accountant and a senior economist.

Liao Lin, Vice Chairman, Executive Director and President

Mr. Liao has served as Vice Chairman, Executive Director and President of the Bank since March 2021, Executive Director of the Bank since July 2020, and Senior Executive Vice President, Senior Executive Vice President and concurrently Chief Risk Officer since November 2019. Mr. Liao joined China Construction Bank in 1989, and was appointed as Deputy General Manager of Guangxi Branch of China Construction Bank, General Manager of Ningxia Branch, Hubei Branch and Beijing Branch of China Construction Bank, Chief Risk Officer, Executive Vice President and concurrently Chief Risk Officer of China Construction Bank. Mr. Liao graduated from Guangxi Agricultural University. He obtained a Doctorate degree in management science from Southwest Jiaotong University. Mr. Liao is a senior economist.

Lu Yongzhen, Non-executive Director

Mr. Lu has served as Non-executive Director of the Bank since August 2019. He joined Huijin in 2019. Mr. Lu previously served as Deputy Director of the Administrative Office of the Economic Research Consultation Centre of the State Economic and Trade Commission, Director of the Specific Research Department of the Economic Research Centre of the State Economic and Trade Commission, Director of the Capital Markets Research Department of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council, and Director Assistant of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council with the concurrent post as the Director of the Capital Markets Research Department, and Deputy Director of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council. Mr. Lu obtained a Bachelor's degree and a Master's degree in History from Peking University, and a Doctorate degree in Economics from Southwestern University of Finance and Economics. He is a researcher.

Zheng Fuqing, Non-executive Director

Mr. Zheng has served as Non-executive Director of the Bank since February 2015. He joined MOF in 1989 and served as Deputy Head and Head of the Administrative Office of Shanxi Finance Ombudsman Office of the MOF, and Assistant Ombudsman and Associate Counsel of Shanxi Finance Ombudsman Office of the MOF. Mr. Zheng graduated from the Party School of the Central Committee of C.P.C. majoring in law theory. He is an economist.

Feng Weidong, Non-executive Director

Mr. Feng has served as Non-executive Director of the Bank since January 2020. He joined MOF in 1986. He previously served as Deputy Director of Academic Affairs Division of Chinese Accounting Correspondence School of Accounting Department of the MOF (deputy division chief level), person in charge of Teaching Material Department of National Accountant Certification Examination Leading Group Office, Director of Accounting Personnel Management Division and Director of Institutional System Division I of Accounting Department of MOF, Deputy Director (deputy director-general level), Deputy Director (person in charge), Director (director-general level), Secretary of the Party Committee and Director of National Accountant Assessment & Certification Centre of the MOF. He concurrently serves as a Managing Director of the 8th Council of the Accounting Society of China, a part-time professor and off-campus practice tutor for postgraduate students of the School of Economics and Management of Beijing Jiaotong University and a visiting tutor for postgraduate students in the Accounting School of the Central University of Finance and Economics. Mr. Feng obtained a Bachelor's degree in Economics from Dongbei University of Finance & Economics and Doctorate degree from Beijing Jiaotong University. Mr. Feng is a senior accountant, researcher, non-practicing certified public accountant and is a recipient of the Special Government Allowance by the State Council of China.

Cao Liqun, Non-executive Director

Ms. Cao has served as Non-executive Director of the Bank since January 2020. She joined Huijin in 2020. Ms. Cao previously served as Deputy Director of Regulations Division, General Affairs Department, Director of Regulations Division, General Affairs Department, Director of Non-Financial Institutions Inspection Division, Supervision and Inspection Department, Director of General Affairs Division, Supervision and Inspection Department, Deputy Director-General of Supervision and Inspection Department, Inspector of General Affairs Department (Policy and Regulation Department), Level-Two Inspector of General Affairs Department (Policy and Regulation Department) of State Administration of Foreign Exchange, and acted as Deputy Director of Administrative Committee of Beijing's Zhongguancun Science Park. Ms. Cao obtained a Bachelor's degree in Law from China University of Political Science and Law, a Master's degree in Finance from Renmin University of China, and a Master's degree in Public Administration from Peking University. Ms. Cao is an economist.

Chen Yifang, Non-executive Director

Ms. Chen Yifang joined the MOF in August 1985 and consecutively worked in the General Planning Department, General Affairs and Reform Department, the Comprehensive Department, Policy Planning Department, Shenzhen Finance Supervision Commissioner Office, Shenzhen Regulatory Bureau and Fiscal Notes Supervision Centre. Since 1994 she was consecutively appointed as Deputy Division Chief of Payment Management Division and Deputy Director of Charge Bill Regulatory Centre of General Affairs and Reform Department of MOF, and Deputy Division Chief of the Paid Fund Policy Management Division of the Comprehensive Department of MOF. Since March 2001 she was consecutively appointed as Division Chief of Paid Fund Office of Policy Planning Department of MOF and Division Chief of Housing and Land Division of the Comprehensive Department of MOF. Since December 2008 she was consecutively appointed as Deputy General Director of the Comprehensive Department of MOF, Member of leading Party members Group, Inspector and Deputy Secretary of leading Party members Group of Shenzhen Finance Supervision Commissioner Office of MOF, and Deputy Secretary of leading Party members Group, Inspector and Level-one Inspector of Shenzhen Regulatory Bureau of MOF. Since November 2020 she was appointed as Level-one Inspector of Fiscal Notes Supervision Centre of MOF. Ms. Chen Yifang graduated from Jiangxi University of Finance and Economics and obtained a Bachelor's degree in Economics.

Anthony Francis Neoh, Independent Non-executive Director

Mr. Neoh has served as Independent Non-executive Director of the Bank since April 2015. He previously served as Chief Advisor to CSRC, a member of the International Consultation Committee of CSRC, a member of the Basic Law Committee of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress of People's Republic of China, and Chairman of the Hong Kong Securities and Futures Commission. He was Chairman of the Technical Committee of the International Organisation of Securities Commissions, a Non-executive Director of Global Digital Creations Holdings Limited. He was an Independent Non-executive Director of Link Management Limited, which is the Manager of Link Real Estate Investment Trust. He was also an Independent Non-executive Director of China Shenhua Energy Company Limited, Bank of China Limited and China Life Insurance Company Limited and New China Life Insurance Company Ltd. Mr. Neoh currently serves as an Independent Non-executive Director of CITIC Limited and Chairman of Hong Kong Independent Police Complaints Council. He graduated from the University of London with a Bachelor's degree in Law. He is Honorary Doctorate of Law of Chinese University of Hong Kong and Open University of Hong Kong and Honorary Doctorate of Social Sciences of Lingnan University. He was elected Honorary Fellow of the Hong Kong Securities Institute and Academician of the International Euro-Asian Academy of Sciences. Mr. Neoh was appointed as Senior Counsel in Hong Kong. He is a barrister of England and Wales. He was admitted to the State Bar of California.

Yang Siu Shun, Independent Non-executive Director

Mr. Yang has served as Independent Non-executive Director of the Bank since April 2016. He previously served as Chairman and Principal Partner of PricewaterhouseCoopers Hong Kong, Executive Chairman and Principal Partner of PricewaterhouseCoopers Chinese Mainland and Hong Kong, member of five-people leading group of global leadership committee of PricewaterhouseCoopers, Chairman of PricewaterhouseCoopers Asia-Pacific region, Director and Chairman of Audit Committee of Hang Seng Management College and Vice Chairman of the Council of the Open University of Hong Kong. Mr. Yang currently serves as a member of the 13th National Committee of the Chinese People's Political Consultative Conference, a member of the Exchange Fund Advisory Committee of Hong Kong Monetary Authority, a member of the board of directors of the Hong Kong Jockey Club and an Independent Non-executive Director of the Tencent Holdings Limited. Mr. Yang graduated from the London School of Economics and Political Science. He was awarded the degree of Honorary Doctor of Social Sciences by The Open University of Hong Kong. He is a Justice of the Peace in Hong Kong. Mr. Yang holds the qualification of Chartered Accountants and is a senior member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

Shen Si, Independent Non-executive Director

Mr. Shen has served as Independent Non-executive Director of the Bank since March 2017. Previously, he served as Deputy Division Chief and Division Chief of Zhejiang Branch of PBOC, Deputy General Director of the Investigation and Statistics Department of the Head Office of PBOC, and Deputy President of the Hangzhou Branch of Shanghai Pudong Development Bank, Board Secretary of Shanghai Pudong Development Bank and Executive Director and concurrently Board Secretary of Shanghai Pudong Development Bank. He obtained a Master's degree in Economics from Zhejiang University and an EMBA degree. He is a senior economist.

Nout Wellink, Independent Non-executive Director

Mr. Wellink has served as Independent Non-executive Director of the Bank since December 2018. Previously, he served as the Treasurer General in the Dutch Ministry of Finance, member of the Executive Board and the President of the Dutch Central Bank, member of the Governing Council of the European Central Bank, member of the Group of Ten Central Bank Governors and Governor of the International Monetary Fund, member and Chairman of the Board for International Settlements, Chairman of the Basel Committee on Banking Supervision, Independent Director of Bank of China Limited, Vice Chairman of Supervisory Board of PricewaterhouseCoopers Accountants N.V. and an Emeritus Professor at the Free University in Amsterdam. Mr. Wellink also served as member of the supervisory board of a bank, a reinsurance company and other enterprises on behalf of the Dutch authorities, Chairman of the Board of Supervisors of the Netherlands Open Air Museum, member and treasurer of the Royal Picture Gallery Mauritshuis and the Westeinde Hospital in The Hague. He was awarded a Knighthood in the Order of the Netherlands Lion in 1980 and is Commander of the Order of Orange Nassau since 2011. He received a Master's degree in Law from Leiden University, a Doctorate degree in Economics from Erasmus University Rotterdam and an Honorary Doctorate from Tilburg University.

Fred Zuliu Hu, Independent Non-executive Director

Mr. Hu has served as Independent Non-executive Director of the Bank since April 2019. He previously served as a senior economist at the International Monetary Fund, Head of Research at the World Economic Forum, the chairman for Greater China and a partner at Goldman Sachs Group, Inc., an independent non-executive director of Great Wall Pan Asia Holdings Limited (formerly known as SCMP Group Limited), an independent non-executive director of Hang Seng Bank Limited, the non-executive director of China Asset Management Co., Ltd., an independent director of Dalian Wanda Commercial Management Group Co., Ltd. and an independent director of Shanghai Pudong Development Bank etc. Mr. Hu currently serves in various positions such as the chairman of Primavera Capital Group, the non-executive chairman of Yum China Holdings, Inc, the independent non-executive director of Hong Kong Exchanges and Clearing Limited, the independent non-executive director of Ant Group Co., Ltd., the director of UBS Group AG, the co-chair of The Nature Conservancy's Asia Pacific Council and the director of the China Medical Board. Mr. Hu is also a member of the Global Board of Advisors for the Council on Foreign Relations, the 21st Century Council of the Berggruen Institute, the Harvard Global Advisory Council, the Harvard Kennedy School Mossavar-Rahmani Centre for Business and Government, the Stanford Centre for International Development, and the Jerome A. Chazen Institute of International Business at Columbia University etc. He concurrently serves as the co-director of the National Centre for Economic Research and a professor at Tsinghua University, and he is also an adjunct professor at the Chinese University of Hong Kong and Peking University. Mr. Hu obtained a master's degree in engineering science from Tsinghua University, and a master's degree and a PhD in economics from Harvard University.

Zhang Wei, Shareholder Supervisor

Mr. Zhang has concurrently served as Shareholder Supervisor and Director of the Board of Supervisors' Office of the Bank since June 2016. He joined the Bank in 1994 and has served as Employee Supervisor of the Board of Supervisors, General Manager of the Legal Affairs Department and Chief of Consumer Protection Office of the Bank. He graduated from Peking University with a Doctorate degree in Law and is a research fellow.

Huang Li, Employee Supervisor

Mr. Huang has served as Employee Supervisor of the Bank since June 2016. He joined the Bank in 1994 and is currently the Head of Beijing Branch of the Bank. He served as Deputy General Manager and General Manager of the Banking Department as well as Deputy Head and Head of Guizhou Branch of ICBC. Mr. Huang graduated from The University of Hong Kong with an MBA degree. He is a senior economist.

Wu Xiangjiang, Employee Supervisor

Mr. Wu has served as employee supervisor of the Bank since September 2020. He joined the Bank in 1988 and is currently the General Manager of Internal Control & Compliance Department of the Bank. He served such positions at the Bank as Deputy Head of Zhejiang Branch, General Manager of E-banking Department and General Manager of Internet Finance Department. He obtained a Doctorate degree in Management from Zhejiang University and is a senior economist.

Qu Qiang, External Supervisor

Mr. Qu has served as External Supervisor of the Bank since December 2015. Currently, he is a professor and tutor for PhD students of Renmin University of China, Director of China Fiscal and Financial Policy Research Centre (a key research centre of humanities and social sciences of the Ministry of Education), Deputy Director of Capital Market Research Institute of Renmin University of China, a council member of China Finance Society and External Expert of China Development Bank. He was Head of the Applied Finance Department of the School of Finance, Renmin University of China. Currently, he is also External Supervisor of Bank of Beijing. Mr. Qu graduated from Renmin University of China and received a Doctorate degree in Economics.

Shen Bingxi, External Supervisor

Mr. Shen has served as External Supervisor of the Bank since June 2016. He previously served as the Deputy Chief of the Financial Market Division of the Financial System Reform Department, Chief of the System Reform Division and Monetary Policy Research Division of the Policy Study Office, and Chief of the Monetary Policy Research Division of the Research Bureau of the PBOC, Chief Representative of the PBOC Representative Office in Tokyo, Deputy Director-general and Director-level Inspector of Financial Market Department of the PBOC, and Non-executive Director of Agricultural Bank of China. Mr. Shen is currently guest professor of Tsinghua University, Zhejiang University and Nankai University. Mr. Shen graduated from Renmin University of China and received a Doctorate degree in Economics. He is a research fellow.

Wang Jingwu, Senior Executive Vice President

Mr. Wang has served as Senior Executive Vice President of the Bank since April 2020. He joined PBOC in August 1985, and has successively served as Supervision Commissioner (Deputy Director level) of PBOC Shijiazhuang Central Sub-branch, Head of PBOC Shijiazhuang Central Sub-branch and concurrently Director of SAFE Hebei Branch, Head of PBOC Hohhot Central Sub-branch and concurrently Director of SAFE Inner Mongolia Branch, Head of PBOC Guangzhou Branch and concurrently Director of SAFE Guangdong Branch, and Director-General of PBOC Financial Stability Bureau since January 2002. Mr. Wang graduated from the Hebei Banking School and received a doctorate degree in economics from Xi'an Jiaotong University. He is a research fellow.

Zhang Wenwu, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since July 2020. He joined the Bank in 1995. He was appointed as Deputy General Manager of the Finance & Accounting Department of the head office, Deputy Head of Liaoning Branch, Executive Director and Chief Financial Officer of ICBC-AXA, Director of the Board of Supervisors' Office of the head office and General Manager of the Finance & Accounting Department of the head office.

Mr. Zhang graduated from the University of International Business and Economics and he obtained a Doctorate degree in Management from Renmin University of China. He is a senior accountant.

Xu Shouben, Senior Executive Vice President

Mr. Xu has served as Senior Executive Vice President of the Bank since October 2020. He joined the Bank in 1995. He was appointed as Deputy Head of Guangdong Branch and Head of Shenzhen Branch. Mr. Xu graduated from the Harbin Institute of Technology, and he obtained a Doctorate degree in Economics from Sun Yat-sen University. He is a senior economist.

Zhang Weiwu, Senior Executive Vice President

Mr. Zhang joined the head office of ICBC in July 1999 and served as General Manager of ICBC (Europe) Amsterdam Branch in January 2011, General Manager of Singapore Branch in February 2013 and General Manager of the International Banking Department of the head office of ICBC in January 2017. Mr. Zhang graduated from the Northwest University in China and obtained a Master's degree in Political Economy and an MBA from Hitotsubashi University in Japan. He is a senior economist.

Wang Bairong, Chief Business Officer

Mr. Wang has served as Chief Business Officer of the Bank since April 2020. He began his career in 1986. He joined the Bank in 1991 and previously served as Assistant to Head of Zhejiang Branch and Head of Shaoxing Branch, Deputy Head of Zhejiang Branch and General Manager of the Banking Department of Zhejiang Branch, Deputy Head (person in charge) and Head of Chongqing Branch and Chief Risk Officer. Mr. Wang graduated from the Party School of the Central Committee of CPC and obtained a Master's degree in Economics. He is a senior economist.

Guan Xueqing, Board Secretary

Mr. Guan has served as Board Secretary of the Bank since July 2016. He joined the Bank in 1984 and served as Head of Suining Branch in Sichuan, Representative of Frankfurt Representative Office and Deputy General Manager of Frankfurt Branch, Deputy Head of Sichuan Branch, Deputy Head of Sichuan Branch and General Manager of the Banking Department of Sichuan Branch, and Head of Hubei Branch and Sichuan Branch. Previously Mr. Guan was also General Manager of the Corporate Strategy and Investor Relations Department of the Bank. He graduated from the Southwestern University of Finance and Economics and obtained a Doctorate degree in Economics. He is a senior economist.

Xiong Yan, Chief Business Officer

Ms. Xiong has served as Chief Business Officer of the Bank since April 2020. She joined the Bank in 1984 and served as Deputy Director-General of Kunming Sub-bureau of the Internal Audit Bureau, Deputy General Manager of Yunnan Branch, Deputy Director-General of the Sub-bureau directly managed by the Internal Audit Bureau, Deputy General Manager of the Corporate Banking Department I (Corporate Banking Department) and General Manager of the Institutional Banking Department of the head Office. Ms. Xiong graduated from Hunan University, and obtained a degree of International Master of Business Administration from Fudan University and The University of Hong Kong. She is a senior economist.

Song Jianhua, Chief Business Officer

Mr. Song has served as Chief Business Officer of the Bank since April 2020. He joined the Bank in 1987. He was appointed as Deputy General Manager of Jiangsu Branch and General Manager of the Personal Banking Department of the head office.

Mr. Song graduated from Peking University and obtained a Doctorate degree in management science and engineering from Nanjing University. He is a senior economist.

CORPORATE GOVERNANCE

We have made consistent efforts to improve our corporate governance and checks and balances mechanisms, which comprise the Shareholders' general meeting, the Board, the board of supervisors and the senior management, by clearly defining responsibilities and accountability, coordinating effective checks and balances and optimising responsibilities of the authority, decision-making, supervisory and executive bodies within the Bank. As a result of these efforts, we have established a corporate governance operation mechanism featuring a scientific decision-making process, effective supervision and steady operation.

Shareholders' General Meeting

The Shareholders' general meeting is responsible for, among others, deciding on business policies and material investment plans of the Bank; considering and approving the proposals on the annual financial budget, final accounts, profit distribution plans and loss recovery plans; electing and changing directors, shareholder supervisors and external supervisors; considering and approving the work report of the Board and the work report of the board of supervisors; adopting resolutions on merger, division, dissolution, liquidation, change of corporate form, increase or decrease of registered capital, issuance and listing of corporate bonds or other negotiable securities and repurchase of stocks; and amending the Articles of Association of the Bank.

Board of Directors

As the decision-making organ of the Bank, the Board of Directors of the Bank is accountable to, and shall report its work to, the shareholders' general meeting. The Board of Directors is responsible for, among others, convening the shareholders' general meeting; implementing the resolutions of the shareholders' general meeting; deciding on the business plans, investment proposals and development strategies of the Bank; formulating annual financial budget and final accounts of the Bank; formulating plans for profit distribution and loss recovery of the Bank; formulating plans for the increase or decrease of the Bank's registered capital, capital replenishment and financial restructuring of the Bank; formulating basic management systems of the Bank such as risk management system and internal control system, and supervising the implementation of such systems; appointing or removing President and the Board Secretary, and appointing or removing Senior Executive Vice Presidents and other senior management

members (except the Board Secretary) who shall be appointed or removed by the Board of Directors under relevant laws according to the nomination of the President and deciding on their compensation, bonus and penalty matters; deciding on or authorising the President to decide on the establishment of relevant offices of the Bank; regularly evaluating and improving corporate governance of the Bank; managing information disclosure of the Bank; and supervising and ensuring the President and other senior management members to perform their management duties effectively.

Board Committees

The Board delegates certain responsibilities to various committees. In accordance with relevant PRC laws and regulations, we have formed strategy, corporate social responsibility and consumer protection, audit, risk management, nomination and compensation, related party transactions control and US risk committees.

Strategy Committee

The Strategy Committee is mainly responsible for considering our strategic development plan, business and institutional development plan, major investment and financing plan and other major matters critical to our development, making recommendations to the Board, and examining and assessing the soundness of the corporate governance framework to ensure financial reporting, risk management and internal control are compliant with our corporate governance criteria. The Strategy Committee consists of seven directors, including Chairman and Executive Director, Mr. Chen Siqing; Vice Chairman and President, Liao Lin; Non-executive Directors, Mr. Lu Yongzhen and Mr. Zheng Fuqing and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Nout Wellink and Mr. Fred Zuliu Hu. Chairman of the Board Mr. Chen Siqing is the chairman of the committee.

Corporate Social Responsibility and Consumer Protection Committee

The Corporate Social Responsibility and Consumer Protection Committee is mainly responsible for undertaking the relevant duties of the Bank in relation to the fulfilment of social responsibility and consumer protection of the Bank. The Corporate Social Responsibility and Consumer Protection Committee consists of three members, including Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Director, Ms. Cao Liqun and Independent Non-Executive Director, Mr. Nout Wellink. Vice Chairman of the Board, Executive Director and President Mr. Liao Lin is the chairman of the committee.

Audit Committee

The Audit Committee is mainly responsible for supervising, inspecting and evaluating internal control, financial information and internal audit and assessing mechanisms for our staff to report misconducts in financial statements, internal control, etc. and for the Bank to make independent and fair investigations and take appropriate actions. The Audit Committee consists of seven directors, including Non-executive Directors, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun, Mr. Shen Si, Mr. Nout Wellink and Mr. Fred Zuliu Hu. Independent Non-executive Director Mr. Shen Si is the chairman of the committee.

Risk Management Committee

The Risk Management Committee is primarily responsible for reviewing and revising our strategy, policy and procedures of risk management and internal control process and supervising and evaluating the performance of Senior Management members and the risk management department in respect of risk management. The Risk Management Committee consists of seven directors, including Non-executive Directors, Mr. Lu Yongzhen, Mr. Zheng Fuqing, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Shen Si. Independent Non-executive Director Mr. Anthony Francis Neoh is the chairman of the committee.

Nomination Committee

The Nomination Committee is mainly responsible for making recommendations to the Board on candidates for directors and Senior Management members, nominating candidates for chairmen and members of special committees of the Board, and formulating the standards and procedures for selection and appointment of directors and Senior Management members as well as the training and development plans for Senior Management members and key reserved talents. The Nomination Committee is also responsible for assessing the structure, size and composition of the Board on a yearly basis and making recommendations to the Board based on our development strategy. The Nomination Committee consists of five directors, including Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Director, Mr. Feng Weidong and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Fred Zuliu Hu. Independent Non-executive Director Mr. Fred Zuliu Hu is the chairman of the committee.

Compensation Committee

The Compensation Committee is mainly responsible for formulating assessment measures on the performance of duties for directors, organising the assessment on the performance of duties of Directors, putting forth proposals on remuneration distribution for Directors, putting forth proposals on remuneration distribution for Supervisors based on the performance assessment on Supervisors carried out by the board of supervisors, formulating and reviewing the assessment measures and compensation plans for Senior Management members and evaluating the performance and behaviours of Senior Management members. The Compensation Committee consists of four directors, including Non-executive Director, Mr. Lu Yongzhen and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Shen Si and Mr. Nout Wellink. Independent Non-executive Director Mr. Nout Wellink is the chairman of the committee.

Related Party Transactions Control Committee

The Bank established its related party transactions control committee in accordance with applicable PRC laws, regulations and rules. The Related Party Transactions Control Committee is mainly responsible for identifying the Bank's related parties, examining major related party transactions, and receiving related party transaction statistics and reporting information of general related party transactions. The Related Party Transactions Control Committee consists of three directors, including Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Nout Wellink. Independent Non-executive Director Mr. Yang Siu Shun is the chairman of the committee.

US Risk Committee

The US Risk Committee is mainly responsible for regulatory compliance in the United States in light of the business development needs of the Bank. The US Risk Committee consists of seven directors, including Non-Executive Directors, Mr. Lu Yongzhen, Mr. Zheng Fuqing, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Shen Si. Independent Non-executive Director Mr. Anthony Francis Neoh is the chairman of the committee.

Board of Supervisors

Responsibilities of the Board of Supervisors

As the supervisory body of the Bank, the Board of Supervisors is accountable to, and shall report to, the Shareholders' general meeting. The board of supervisors is responsible for, among others, supervising the performance and due diligence of directors and senior management members; supervising the performance of duties of the Board and the senior management; conducting audits on retiring or resigning directors and senior management members where appropriate; examining and supervising the Bank's financial activities; examining financial information such as financial reports, business reports and profit distribution plans to be submitted to the Shareholders' general meeting by the Board; examining and supervising the business decision-making, risk management and internal control of the Bank and guiding the internal audit department of the Bank; supervising the engagement, dismissal, reengagement and audit of the external auditor as well as the audit work progress of the Bank; formulating the remuneration plans and performance evaluation measures of supervisors, conducting the performance evaluation on supervisors, and reporting to the shareholders' general meeting for approval; presenting proposals to the shareholders' general meeting; proposing to convene an extraordinary general meeting, and convening and presiding over the extraordinary general meeting in case the Board of Directors fails to perform its duty of convening shareholders' general meeting; proposing to convene an interim meeting of the Board of Directors.

Operation of the Board of Supervisors

The Board of Supervisors convenes regular and special meetings to discuss official matters. Regular meetings shall be held at least four times a year. There is a supervisory board office under our Board of Supervisors that functions in accordance with authorisation from our Board of Supervisors and reports to our Board of Supervisors. The supervisory board office under the Board of Supervisors is its day-to-day administrative organ. It is responsible for supervising and scrutinising matters such as corporate governance, financial activities, risk management and internal control of the Bank; for organising meetings of the Board of Supervisors and its special committee; and for preparing meeting documents and minutes for the meetings.

PRINCIPAL SHAREHOLDERS

As at 31 March 2021, the total number of the Bank's Shareholders (number of holders of A Shares and H Shares on the register of shareholders as at 31 March 2021) was 586,395, of which there were 115,684 H Shareholders and 470,711 A Shareholders.

The table below sets out the particulars of the Bank's top 10 Shareholders as at 31 March 2021.

Name of shareholder	Nature of shareholder	Class of shares	Share-holding percentage (%)	Total number of shares held	Number of pledged or locked-up shares	Increase/ decrease of shares during the reporting period
Huijin	State-owned	A share	34.71	123,717,852,951	None	–
MOF	State-owned	A share	31.14	110,984,806,678	None	–
HKSCC Nominees Limited[3][5]	Foreign legal person	H share	24.18	86,172,890,878	Unknown	5,289,247
National Council for Social Security Fund[3][4]	State-owned	A share	3.46	12,331,645,186	None	–
Ping An Life Insurance Company of China, Ltd. – Traditional – Ordinary insurance products	Other entities	A share	1.03	3,687,330,676	None	–
China Securities Finance Co., Ltd.	State-owned legal person	A share	0.68	2,416,131,540	None	-24
Hong Kong Securities Clearing Company Limited	Foreign legal person	A share	0.34	1,229,160,916	None	43,040,663
Central Huijin Asset Management Co., Ltd.[5]	State-owned legal person	A share	0.28	1,013,921,700	None	–
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	Other entities	A share	0.15	533,432,374	None	63,083,086
China Life Insurance Company Limited – Dividends Distribution – Dividends Distribution to Individuals – 005L – FH002 Hu	Other entities	A share	0.12	440,755,786	None	199,299,525

Notes:

(1) The above data are based on the Bank's register of shareholders as at 31 March 2021.

(2) The Bank had no shares subject to restrictions on sales.

(3) Total number of shares held by HKSCC Nominees Limited refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 March 2021, which included H shares of the Bank held by National Council for Social Security Fund, Ping An Asset Management Co., Ltd., Temasek Holdings (Private) Limited and China Life Insurance (Group) Company.

(4) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), MOF transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. As at 31 March 2021, according to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund also held 7,946,049,758 H shares of the Bank and 20,277,694,944 A and H shares in aggregate, accounting for 5.69% of the Bank's total ordinary shares.

(5) 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 Central Huijin Investment Ltd. Both "China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu" and "China Life Insurance Company Limited – Dividends Distribution –Dividends Distribution to Individuals – 005L – FH002 Hu" are managed by China Life Insurance Company Limited. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned shareholders.

PARTICULARS OF CONTROLLING SHAREHOLDERS

The Bank's largest single shareholder of is Huijin. Huijin is a state-owned company founded by the State according to the Company Law on 16 December 2003. Its registered capital is equal to its paid-in capital at RMB828,209 million. Its registered address is New Poly Plaza, 1 Chaoyangmen North Street, Dongcheng District, Beijing. Its unified social credit code is 911000007109329615 and its legal representative is Peng Chun. Huijin is a wholly-owned subsidiary of China Investment Corporation. It, in accordance with authorisation by the State Council, makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not engage in any other business activities and does not intervene in the day-to-day business operations of the key state-owned financial institutions it controls. As at 31 December 2020, Huijin held approximately 34.71 per cent. of our Ordinary Shares.

The Bank's second single largest shareholder is MOF, which held approximately 31.14 per cent. shares of the Bank as at 31 December 2020. MOF is a department under the State Council and is responsible for overseeing the State's fiscal revenue and expenditure, formulating the financial and taxation policies and supervising State finance at a macro level.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular, all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere.

Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the relevant Issuer, the Bank, the Group nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC resident Noteholders in this section. In considering whether to invest in the Notes, potential purchasers should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law as well as their respective implementation rules, non-PRC resident enterprises will not be subject to the PRC income tax in respect of the interest income borne and paid by any enterprise, organisation or establishment located outside the PRC and as a non-PRC tax resident. An income tax is levied on the payment of interest in respect of debt securities, including notes offered, transferred and/or sold by enterprises established within the territory of China to non-resident enterprises (including Hong Kong Special Administrative Region enterprises) and non-resident individuals (including Hong Kong Special Administrative Region resident individuals). The current rates of such income tax are 20 per cent. (for non-resident individuals) and 10 per cent. (for non-resident enterprises) of the gross amount of the interest, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation ("**SAT**") issued the Circular of Full Implementation of Business Tax to VAT Reform (《關於全面推開營業税改徵增值税試點的通知》) (Caishui [2016] No. 36, "**Circular 36**") which confirms that business tax was replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the relevant Issuer.

(I) In the event that the relevant Issuer is the Bank's head office (the "ICBC Head Office")

In the event that the relevant Issuer is ICBC Head Office, ICBC Head Office will be subject to withhold PRC income tax on the payment of interest of the Notes to non-resident Noteholders. The current rates of such income tax are 20% (for non-resident individuals) and 10% (for non-resident enterprises) of the gross amount of the interest, in each case, unless a lower rate is available under an applicable tax treaty. For example, the tax so charged on interests paid on the Notes to non-resident Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the arrangement between the mainland China and Hong Kong for purpose of the avoidance of double taxation will be 7% of the gross amount of the interest pursuant to such arrangement. Further, given that the ICBC Head Office is located in the PRC, in the event that the relevant Issuer is the ICBC Head Office, holders of the Notes would be regarded as providing the financial services within China and consequently, the

holders of the Notes shall be subject to VAT at the rate of 6% when receiving the interest payments under the Notes. In addition, the holders of the Notes shall be subject to the local levies at approximately 12% of the VAT payment and consequently, the combined rate of VAT and local levies would be around 6.72%. Given that ICBC Head Office pays interest income to Noteholders who are located outside of the PRC, ICBC Head Office, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Noteholders who are located outside of the PRC. ICBC Head Office has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the "Terms and Conditions of the Notes".

(II) In the event that the relevant Issuer is a Branch Issuer

In the event that the relevant Issuer is a Branch Issuer, the relevant Issuer are not obliged to withhold PRC income tax at the rate up to 10% (for non-resident enterprises) or 20% (for non-resident individuals) on the payments of interest made by it to non-resident Noteholders provided that the payments are made outside of the territory of PRC. However, this is subject to the interpretation by the PRC tax authorities. If the PRC tax authorities take an interpretation that the interest on the Notes payable by the relevant Issuer is treated as income sourced from the PRC, a withholding tax may be imposed on such interest and the relevant Issuer will pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Conditions. If ICBC Head Office shall perform the obligation of paying interest of the Notes in the event and only when the relevant Branch Issuer fails to perform its obligations of paying the interest of the Notes, ICBC Head Office will be obliged to withhold PRC income tax at a rate of 10% (for non-resident enterprises) or 20% (for non-resident individuals) (unless a lower rate is available under an applicable tax treaty) and PRC VAT tax and local levies at the rate of 6.72% of the interest component of the amount payable by ICBC Head Office to the Noteholders if the PRC tax authority views such component as an interest income arising within the territory of the PRC.

Pursuant to the EIT Law, IIT Law and the VAT reform detailed above, in the case of (I) and (II), the relevant Issuer(s) or the Bank shall withhold EIT or IIT, (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the relevant Issuer(s) or the Bank shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that such relevant Issuer and the Bank are required to make such a deduction or withholding (whether by way of EIT, IIT or VAT otherwise), each relevant Issuer and the Bank have agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see "*Terms and Conditions of the Notes – Condition 12 (Taxation)*".

According to the arrangement for avoidance of double taxation between the PRC and Hong Kong, both Hong Kong resident enterprises and Hong Kong resident individuals will not be subject to PRC income tax in respect of any capital gains from the sale or exchange of the Notes. However, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and their respective relevant implementation rules, it remains uncertain as to whether other non-PRC Noteholders shall be subject to PRC income tax in respect of any capital gains from the sale or exchange of the Notes. Should the PRC tax authority deem the gains of such non-PRC residents generated from the sale or exchange of the Notes as income sourced within the PRC, the non-PRC Noteholders (other than Hong Kong residents) may be subject to enterprise income tax at the rate of 10 per cent. for non-PRC resident enterprises, or individual income tax at 20 per cent. for non-PRC resident individuals, respectively, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

Circular 36 has been issued quite recently, the above statements on VAT may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

HONG KONG

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the IRO) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the relevant Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes, provided that either:

(a) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "SDO")).

If stamp duty is payable, it is payable by the relevant Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes. No stamp duty is payable on the issue of Registered Notes.

Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes, provided that either:

(a) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) the Registered Notes constitute loan capital (as defined in the SDO of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the PRC and Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the previously issued Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

OVERVIEW OF DEALER AGREEMENT

The Dealer has, in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 27 May 2021, agreed with the Bank (on behalf of itself and each Branch Issuer as issuer) a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Forms of the Notes*" and "*Terms and Conditions of the Notes*". The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Where the relevant Issuer agrees to sell to the Dealer(s), who agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, Notes at an issue price (the "**Issue Price**"), any subsequent offering of those Notes to investors may be at a price different from such Issue Price. The relevant Issuer has agreed to reimburse the Arranger for certain of their expenses incurred in connection with the establishment, and any future update, of the Programme and the Dealer for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

The relevant Issuer has agreed to indemnify the Dealer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealer(s) (if any) named as Stabilisation Manager(s) (the "**Stabilisation Manager(s)**") (or any person acting on behalf of any Stabilisation Manager(s)) may, to the extent permitted by applicable laws and directives, over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the relevant Issuer. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of any Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Dealer.

In connection with each Tranche of Notes issued under the Programme, the Dealer or certain of their affiliates or affiliates of the relevant Issuer, may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the relevant Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the relevant Tranche of Notes. Accordingly, references herein to the Notes being 'offered' should be read as including any offering of the Notes to the Dealer and/or their respective affiliates or affiliates of the relevant Issuer or the Bank as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of any Tranche or Series of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in such Notes may be constrained (see "*Risk Factors – Risks relating to the Market Generally – Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity*"). The relevant Issuer and the Dealer are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements. Further, the Dealer or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the relevant Issuer, the Bank or its subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

In addition, the Dealer and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("Banking Services or Transactions"). The Dealer and certain of their subsidiaries or affiliates may have, from time to time, performed and may in the future perform, various Banking Services or Transactions with the relevant Issuer, the Bank and/or its subsidiaries or affiliates, from time to time, for which they have received customary fees and expenses. The Dealer and their subsidiaries or affiliates may, from time to time, engage in transactions and perform services for the relevant Issuer, the Bank and/or its subsidiaries and affiliates in the ordinary course of their business.

In the ordinary course of their various business activities, the Dealer and their respective affiliates may also make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the relevant Issuer or the Bank, including any Tranche or Series of the Notes and could adversely affect the trading price and liquidity of such Notes. The Dealer and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the relevant Issuer or the Bank, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the relevant Issuer or the Bank.

If a jurisdiction requires that the offering is made by a licensed broker or dealer and a relevant Dealer or any affiliate of the relevant Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the relevant Issuer (as defined below) in such jurisdiction.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented, warranted, undertaken and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the two preceding paragraphs have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Registered Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) of such Tranche of Notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Bank for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The relevant Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person (within the meaning of Regulation S), other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker dealer affiliate. Distribution of this Offering Circular by any non U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the relevant Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non U.S. person or QIB, is prohibited.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA D Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of the TEFRA D Rules. Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA C Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of TEFRA C Rules. Where the relevant Pricing Supplement specifies that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of either the TEFRA D Rules or the TEFRA C Rules.

The TEFRA D Rules

Where the TEFRA D Rules are specified in the relevant Pricing Supplement as being applicable in relation to any Tranche of Notes, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the relevant Issuer in relation to each Tranche of Notes in bearer form that:

(a) ***Restrictions on offers, etc.***: except to the extent permitted under the U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**TEFRA D Rules**"):

  (i) *No offers etc. to United States or United States persons*: it has not offered or sold, and during the 40-day restricted period will not offer or sell, any Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and

  (ii) No delivery of definitive Notes in the United States: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes in bearer form sold during the restricted period,

(b) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules; and

(c) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes in bearer form for the purposes of resale in connection with their original issuance and, if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended); and

(d) with respect to each affiliate of such Dealer that acquires Notes in bearer form from such Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, to the relevant Issuer that it will obtain from such affiliate for the benefit of the relevant Issuer the representations, warranties and undertakings contained in paragraph (a) (*Restrictions on offers, etc.*), paragraph (b) (*Internal procedures*) and paragraph (c) (*Additional provision if United States person*); and

(e) it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) that purchases any Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the relevant Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the TEFRA D Rules, as if such distributor were a Dealer hereunder.

The TEFRA C Rules

Where the TEFRA C Rules are specified in the relevant Pricing Supplement as being applicable in relation to any Tranche of Notes, the Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance and, accordingly, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the relevant Issuer that, in connection with the original issuance of the Notes:

(a) ***No offers etc. in United States***: it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in bearer form within the United States or its possessions in connection with the original issue; and

(b) ***No communications with United States***: it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes in bearer form.

Interpretation

Terms used in the paragraph "Dealers' compliance with United States securities laws" have the meanings given to them by Regulation S under the Securities Act. Terms used in the paragraphs "*The TEFRA D Rules*" and "*The TEFRA C Rules*" have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA C Rules and the TEFRA D Rules.

Index-, commodity- or currency-linked Notes

Each issuance of index-, commodity- or currency-linked Notes shall be subject to additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus which has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(c) *Approved prospectus:* if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(d) *Qualified Investors:* at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(e) *Fewer than 150 offerees:* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(f) *Other exempt offers:* at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer.

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the relevant Issuer was not an authorised person, apply to such relevant Issuer.

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

Each Dealer has understood, and each further Dealer appointed under the Programme will be required to understand, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong Kong

In relation to each Tranche of Notes to be issued by the relevant Issuer under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the PRC (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Notes.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

These selling restrictions may be modified by the agreement of each of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Global Note Certificate with a view to holding it in the form of an interest in the same Global Note Certificate) or person wishing to transfer an interest from one Global Note Certificate to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Note Certificate with a view to holding it in the form of an interest in the same Global Note Certificate will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of the Notes has been advised, that any sale to it is being made in reliance on Rule 144A (b) it is or at the time the Notes are purchased will be, the beneficial owner of such Notes, it is not a U.S. person and located outside the United States (within the meaning of Regulation S and it is not an affiliate of the relevant Issuer or a person acting on behalf of such an affiliate;

(ii) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers;

(iii) that it is not formed for the purpose of investing in the relevant Issuer;

(iv) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;

(v) that it understands that the relevant Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories;

(vi) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws of any state of the United States and the relevant Issuer has not registered and does not intend to register as an investment company under the Investment Company Act and, accordingly, the Notes may not be offered or sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(vii) that, unless it holds an interest in a Unrestricted Global Note Certificate and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller, and any person acting on the seller's behalf, reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (d) pursuant to an exemption from registration provided by Rule 144 thereunder (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of any states of the United States;

(viii) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (vii) above, if then applicable;

(ix) that Notes initially offered in the United States to QIBs will be represented by one or more Restricted Global Note Certificates and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Note Certificate;

(x) that it understands that the relevant Issuer has the power to compel any beneficial owner of Notes represented by a Restricted Global Note Certificate that is a U.S. person and is not a QIB to sell its interest in such Notes, or may sell such interest on behalf of such owner. The relevant Issuer has the right to refuse to honour the transfer of an interest in any Restricted Global Note Certificate to a U.S. person who is not a QIB. Any purported transfer of an interest in a Restricted Global Note Certificate to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void;

(xi) except as otherwise provided in a supplement to the Offering Circular, either: (i) no assets of a Benefit Plan Investor, or non-U.S. plan, governmental or church plan that are subject to Similar Law have been used to acquire such Notes or an interest therein; or (ii) the purchase, holding and subsequent disposition of such Notes or an interest therein by such person will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or violation of Similar Law. Any purported purchase or transfer of such an interest that does not comply with the foregoing shall be null and void;

(xii) to the extent Benefit Plan Investors or Similar Law plans are prohibited from purchasing a Note or any interest therein under a supplement to the Offering Circular, it is not, and for so long as it holds such Note or interest it will not be, a Benefit Plan Investor or a governmental, church or non-U.S. plan that is subject to Similar Law. Any purported purchase or transfer that does not comply with the foregoing shall be null and void;

(xiii) that the Notes in registered form, other than the Unrestricted Global Note Certificate, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER OR ITS AFFILIATES.";

(xiv) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the relevant Issuer:

"IF THIS NOTE CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER PERSON AS MAY BE NOMINATED BY THE DEPOSITORY TRUST COMPANY (DTC) FOR THE PURPOSE) (COLLECTIVELY, CEDE & CO.) AS NOMINEE FOR DTC, THEN, UNLESS THIS NOTE CERTIFICATE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE CERTIFICATE ISSUED UPON REGISTRATION OF TRANSFER OR EXCHANGE OF THIS NOTE CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC) AND ANY PAYMENT HEREUNDER IS MADE TO CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), HAS AN INTEREST HEREIN.";

(xv) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Unrestricted Global Note Certificate will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS NOTE NOR ANY PORTION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."; and

(xvi) it understands that the Notes offered in reliance on Rule 144A will be represented by Restricted Global Note Certificates. Before any interest in a Restricted Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws;

(xviii) it understands that the Notes offered in reliance on Rule S will be represented by Unrestricted Global Note Certificates; and prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and

(xix) that the relevant Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(xx) No sale of legended Notes in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

GENERAL INFORMATION

1. LISTING

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange under which Notes may be issued by way of debt issues to Professional Investors only. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the next business day following the date of listing of the relevant Notes. Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board size of at least HK$500,000 (or equivalent in other currencies).

2. AUTHORISATION

The establishment and update of the Programme and the issue of the Notes thereunder were authorised by Authorisation (2015) No. 317, (2018) No. 506, (2018) No. 1364 and (2019) No. 876 of Industrial and Commercial Bank of China Limited passed on 24 March 2015, 26 April 2018, 6 November 2018 and 9 August 2019 and Authorisation (2020) No. 14 and (2020) No. 54 of the Department of Assets and Liabilities Management of Industrial and Commercial Bank of China Limited passed on 24 February 2020 and 11 June 2020. The relevant Issuer has obtained, or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue of the Notes and the performance of its obligations under the Notes.

3. LEGAL AND ARBITRATION PROCEEDINGS

The Bank is involved in legal proceedings in the ordinary course of its business. Most of the legal proceedings were initiated by the Bank for recovering NPLs, while some legal proceedings arose from customer disputes. Each of the Bank and the relevant Issuer is not or has not been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Bank or, as the case may be, each of the relevant Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial or trading position or profitability of the Group.

4. SIGNIFICANT/MATERIAL CHANGE

Save as disclosed in this Offering Circular, since 31 December 2020, there has been no material adverse change in the financial position or prospects nor has there been, any significant change in the financial or trading position or prospects of the Group.

5. AUDITOR

The Group's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 which are incorporated by reference in this Offering Circular, have been audited by KPMG, as stated in its respective reports appearing therein.

6. NATIONAL DEVELOPMENT AND REFORM COMMISSION FILINGS

On 14 September 2015, the National Development and Reform Commission (the "**NDRC**") promulgated the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (Fa Gai Wai Zi [2015] No 2044) (the "**NDRC Notice**") (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知), which came into effect on the same day. According to the current interpretation of the NDRC Notice, if a PRC enterprise or an offshore enterprise or branch controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year ("**Relevant Offshore Bonds**"), such enterprise must, in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issuance (the "**Pre-Issuance Registration Certificate**"). In addition, the enterprise must also report certain details of the bonds to the NDRC within 10 working days of the completion of the bond issue (the "**Post-Issuance Filing**"). The

Post-Issuance Filing is a procedural matter which involves the reporting of certain post-issuance information by the enterprise to the NDRC rather than a substantive approval process, and failure to complete the Post-Issuance Filing will not adversely affect the validity of the relevant bonds or any other bonds issued by the enterprise from time to time. Furthermore, a decision by the NDRC not to grant the Pre-Issuance Registration Certificate in respect of any issue of bonds or notes will not adversely affect the validity of any previous issuance of bonds or notes by the relevant enterprise. However, given the fact that neither the NDRC Notice, nor PRC law generally, addresses such matters, it is not possible to predict with certainty how the NDRC or PRC law may treat such matters in the future.

The Bank has obtained an annual foreign debt quota from the NDRC (the "**Quota**"), pursuant to which the Group may issue up to a specified aggregate amount of Relevant Offshore Bonds without the need to obtain a Pre-Issuance Registration Certificate in respect thereof. Accordingly, where the relevant Issuer proposes to issue Notes under the Programme which would constitute Relevant Offshore Bonds, no Pre-Issuance Registration Certificate will need to be obtained from the NDRC in respect of such issue, provided that (i) the aggregate principal amount of such Notes, taken together with any other issue(s) of Relevant Offshore Bonds previously issued under the Quota, does not exceed the Quota and (ii) the Bank duly authorises the relevant Issuer to utilise such annual foreign debt Quota for the purposes thereof. Where the Quota is not available for any issue of Notes under the Programme which constitute Relevant Offshore Bonds, a specific Pre-Issuance Registration Certificate will be required in respect thereof. Whether or not a specific Pre-Issuance Registration Certificate is required to be obtained under the NDRC Notice for a particular issue of Notes under the Programme, the relevant Issuer will (where such Notes constitute Relevant Offshore Bonds) in any event be required to make the relevant Post-Issuance Filing with the NDRC within 10 business days after the issue of the Notes. The relevant Issuer undertakes to file or procure that the Bank files the required information relating to the issue of the Notes within the required period in accordance with the NDRC Notice.

On 12 January 2017, the PBOC promulgated the PBOC Notice on Relevant Matters about Macro-Prudential Management of Cross-Border Financing in Full Aperture (《中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知》), which came into effect on the same date (the "**PBOC Notice**"), and which imposes certain filing, reporting and other requirements on PRC companies and financial institutions that engage in cross-border financing activities. After consultation with the PBOC regarding the relevant filing and reporting requirements under the PBOC Notice, the Bank has confirmed that its offshore branches should not be considered to be PRC residents and, therefore, the relevant filing and reporting requirements under the PBOC Notice should not be applicable to issuances of Notes by the relevant Issuer under the Programme so long as the proceeds from the issuance of the Notes will not be applied within the PRC. However, the PBOC Notice remains relatively new and the implementation rules have not yet been published. Therefore, following the date of this Offering Circular, the Bank may be required to make reporting or take other steps to comply with the PBOC Notice, the nature and extent of which are not currently foreseeable by the Bank. No assurance can be given that the Bank will need to comply with the PBOC Notice, including, without limitation, where the proceeds from an issuance of Notes by the relevant Issuer under the Programme are applied within the PRC.

7. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Hong Kong Branch at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong and the specified office of the Issuing and Paying Agent at Level 24, HSBC Main Building, 1 Queen's Road Central, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the articles of association of the Bank;

(ii) (a) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2019, (b) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2020 and (c) the announcement of the Group's first quarterly results of 2021, containing the unaudited and unreviewed consolidated financial results of the Group as at and for the three months ended 31 March 2021 (published on 29 April 2021);

(iii) the latest annual report and audited annual consolidated financial statements, and any consolidated interim financial statements (whether audited or unaudited, reviewed or unreviewed) published subsequently to such audited annual financial statements, of the Group;

(iv) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation (for these purposes, reference(s) to the European Economic Area include(s) the United Kingdom) will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);

(v) a copy of this Offering Circular together with any Supplement to this Offering Circular;

(vi) the Deed of Covenant;

(vii) the Agency Agreement (which contains the forms of the Notes in global and definitive form); and

(viii) the Programme Manual.

8. CLEARING OF THE NOTES

The Notes may be accepted for clearance through Euroclear and Clearstream. In addition, the relevant Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Pricing Supplement. The relevant Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number, CUSIP number, common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

9. LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40.

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