



**Bank ICBC (joint stock company)**  
**Condensed Interim Financial Statements**  
**as at and for the six-month period ended 30 June 2020,**  
**prepared in accordance with IFRS**

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# Independent Auditors' Report on Review of Condensed Interim Financial Information

**To the Shareholder and the Board of Directors of Bank ICBC  
(joint stock company)**

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bank ICBC (joint stock company) (the «Bank») as at 30 June 2020, and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial information (the «condensed interim financial information»). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of Review

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

Reviewed entity: Bank ICBC (joint stock company).  
Registration No. in the Unified State Register of Legal Entities  
№ 1077711000157.  
Moscow, Russia.

Audit firm: JSC "KPMG", a company incorporated under the Laws of the Russian Federation, a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registration No. in the Unified State Register of Legal Entities  
1027700125628.

Member of the Self-regulatory Organization of Auditors Association "Sodruzhestvo" (SRO AAS). The Principal Registration Number of the Entry in the Register of Auditors and Audit Organisations: No. 12006020351.



**Bank ICBC (JSC)**

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## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information as at 30 June 2020 and for the six-month period then ended has not been prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.



Mesheryakov S. Yu.

JSC «KPMG»

Moscow, Russia

31 August 2020

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

	Note	30 June 2020 (unaudited)	30 June 2019 (unaudited)
Interest income calculated using the effective interest method	5	1 150 454	1 266 811
Other interest income	5	11 959	2 869
Interest expense	5	(491 413)	(682 403)
<b>Net interest income</b>	<b>5</b>	<b>671 000</b>	<b>587 277</b>
Change in allowance for expected credit losses on interest-bearing debt financial assets	7,8,10,11	3 566	34 446
<b>Net interest income after change in allowance for expected credit losses</b>		<b>674 566</b>	<b>621 723</b>
Net gains from transactions with foreign currencies and financial derivatives		204 469	389 073
Fee and commission income		41 110	43 917
Fee and commission expense		(7 984)	(17 233)
<b>Net fee and commission income</b>		<b>33 126</b>	<b>26 684</b>
Changes in other reserves		(6 356)	1 844
Other operating income		13 704	19 493
<b>Operating expenses</b>	<b>6</b>	<b>(449 056)</b>	<b>(401 092)</b>
<b>Profit before income tax</b>		<b>470 453</b>	<b>657 725</b>
Income tax expense		(78 090)	(117 367)
<b>NET PROFIT FOR THE PERIOD</b>		<b>392 363</b>	<b>540 358</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>392 363</b>	<b>540 358</b>

Signed

31 August 2020

President

Chief Accountant



Li Wencong

Natalia V. Kuzmina

## Condensed Interim Statement of Financial Position

	Note	30 June 2020 (unaudited)	31 December 2019
<i>ASSETS</i>			
Cash and cash equivalents	7	21 561 351	7 682 672
Obligatory reserves with the Central Bank of the Russian Federation		535 870	330 237
Amounts due from financial institutions	8	11 542 765	19 806 080
Financial assets measured at fair value	8,9	760 557	783 509
Loans and advances to customers	10	26 815 129	21 979 853
Investment securities	11	7 648 789	9 098 615
Property and equipment and intangible assets		153 755	110 883
Other assets		92 558	115 377
<b>Total assets</b>		<b>69 110 774</b>	<b>59 907 226</b>
<i>LIABILITIES</i>			
Amounts due to financial institutions	12	12 252 682	16 686 465
Amounts due to customers	13	34 858 765	22 548 224
Subordinated loans	14	8 456 926	7 497 055
Dividends declared	15	1 176 742	-
Other liabilities and reserves		263 648	289 092
<b>Total liabilities</b>		<b>57 008 763</b>	<b>47 020 836</b>
<i>EQUITY</i>			
Share capital and share premium	15	10 809 500	10 809 500
Retained earnings	15	1 292 511	2 076 890
<b>Total equity</b>		<b>12 102 011</b>	<b>12 886 390</b>
<b>Total liabilities and equity</b>		<b>69 110 774</b>	<b>59 907 226</b>

Signed 31 August 2020

President

Chief Accountant



Li Wencong

Natalia V. Kuzmina

**Condensed Interim Statement of Changes in Equity**

	Note	Share capital and share premium	Retained earnings	Total equity
<b>Balance as at 1 January 2019</b>		<b>10 809 500</b>	<b>1 855 874</b>	<b>12 665 374</b>
Profit and total comprehensive income for the period (unaudited)		-	540 358	540 358
Dividends declared: on ordinary shares (unaudited)	15	-	(719 966)	(719 966)
<b>Balance as at 30 June 2019 (unaudited)</b>		<b>10 809 500</b>	<b>1 676 266</b>	<b>12 485 766</b>
<b>Balance as at 1 January 2020</b>		<b>10 809 500</b>	<b>2 076 890</b>	<b>12 886 390</b>
Profit and total comprehensive income for the period (unaudited)		-	392 363	392 363
Dividends declared: on ordinary shares (unaudited)	15	-	(1 176 742)	(1 176 742)
<b>Balance as at 30 June 2020 (unaudited)</b>		<b>10 809 500</b>	<b>1 292 511</b>	<b>12 102 011</b>

Signed 31 August 2020

President

Li Wencong

Chief Accountant

Natalia V. Kuzmina





### Condensed Interim Statement of Cash Flows

	Note	30 June 2020 (unaudited)	30 June 2019 (unaudited)
<i>Cash flows from operating activities</i>			
Interest received		1 141 540	1 349 547
Interest paid		(532 514)	(720 893)
Fee and commission received		41 110	43 917
Fee and commission paid		(7 984)	(17 233)
Transactions with foreign currencies		(1 492 536)	984 761
Other operating income received		13 704	19 493
Operating expenses paid		(463 091)	(421 333)
Income tax paid		(102 578)	(112 041)
<b>Cash flows (used in) from operating activities before changes in operating assets and liabilities</b>		<b>(1 402 349)</b>	<b>1 126 218</b>
Net change in obligatory reserves with the Central Bank of the Russian Federation		(205 633)	105 771
Net change in due from financial institutions		9 112 748	2 247 143
Net change in loans and advances to customers		(2 871 374)	(2 107 836)
Net change in other assets		18 507	6 349
Net change in due to financial institutions		(5 368 661)	(8 062 707)
Net change in due to customers		12 152 551	7 496 061
Net change in other liabilities		(20 392)	25 175
<b>Net cash flows from operating activities</b>		<b>11 415 397</b>	<b>836 174</b>
<i>Cash flows from investing activities</i>			
Purchase of investment securities		(5 096 095)	(2 709 035)
Proceeds from repayment of investment securities		6 663 971	5 054 501
Purchase of property and equipment and intangible assets		(1 298)	(2 739)
<b>Net cash from investing activities</b>		<b>1 566 578</b>	<b>2 342 727</b>
<i>Cash flows from financing activities</i>			
Repayment of lease liabilities		(30 677)	-
<b>Net cash flows used in financing activities</b>		<b>(30 677)</b>	<b>-</b>
Effect of exchange rates changes on cash and cash equivalents		927 381	(836 104)
<b>Net increase in cash and cash equivalents</b>		<b>13 878 679</b>	<b>2 342 797</b>
Cash and cash equivalents at the beginning of the reporting period	7	7 682 672	10 893 642
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7</b>	<b>21 561 351</b>	<b>13 236 439</b>

Signed

31 August 2020

President

Chief Accountant



Li Wencong

Natalia V. Kuzmina



## Notes to the Condensed Interim Financial Statements

### 1 Principal activity

Bank ICBC (joint stock company) (the “Bank”) was established in 2007.

The Bank’s sole shareholder is Industrial and Commercial Bank of China Limited, the ultimate controlling party of which is the People’s Republic of China represented by the Ministry of Finance of the RRC.

The structure of the owners (shareholders) of the Bank is represented in the table below:

Owner (shareholder)	30 June 2020 (unaudited)	31 December 2019
Industrial and Commercial Bank of China Limited	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The Bank has the following licenses issued by the Central Bank of the Russian Federation (the “Bank of Russia”):

- the general license No.3475 was granted to ICBC Bank (JSC) on 26 January 2018;
- brokerage operations, license No.045-13990-100000 issued on 18 August 2016;
- depository operations, license No.045-13992-000100 issued on 18 August 2016;
- dealing operations, license No.045-13991-010000 issued on 18 August 2016;

The Bank is a participant of a deposit insurance system, certificate No.1009 dated 17 November 2016.

The principal activities of the Bank are the following: legal entities and individuals deposit taking (on demand and for a specific term); placement of attracted funds of legal entities and individuals on its behalf and for its own account; opening and maintenance of the banks’ accounts of legal entities and individuals; settlements on behalf of legal entities and individuals including correspondent banks on their bank accounts; cash and settlement documents collection, providing cash services to individuals and legal entities; foreign exchange trading on a cash and non-cash basis; issuing bank guarantees; money transfers on behalf of individuals without opening bank accounts (except for postal transfer), professional services at the securities market.

The structure of the Bank operating in the Russian Federation includes:

- Branch of ICBC Bank (JSC) in Saint-Petersburg located at 12-14 Litera A, Khersonskaya Street, Saint-Petersburg, 191024, Russian Federation;
- GREENWOOD supplementary office of Bank ICBC (JSC) located at building 17, office and public complex of Greenwood JSC, 69th km of MKAD, Putilkovo settlement, Krasnogorsky District, Moscow Region, 143441, Russian Federation.

The Bank’s principal place of business is Moscow, Russian Federation.

The Bank operates in an industry that does not have significant seasonal changes in operating income during the financial year.

The average number of people employed during the six-month period ended 30 June 2020 was 153 (during the six-month period ended 30 June 2019: 157 employees).

### 2 Business environment

For the first months of 2020 there was a considerable instability in the global market caused by the outbreak of the coronavirus. On 11 March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. Responding to the potentially serious threat the COVID-19 presents to public health, the Russian government authorities have taken measures to contain the outbreak, including imposing restrictions on the cross-borders movement of people, entry restrictions for foreign visitors and instructing business community to transfer employees to working from home. During March 2020, regional authorities gradually introduced additional measures to enhance social distancing, including closing schools, universities, restaurants, cinemas, theaters and museums and sport facilities. In order to ensure the sanitary and epidemiological well-being of the population, the President of the Russian Federation declared paid non-working days from 30 March to 30 April 2020 for all employees except for medical and pharmacy organizations, emergency services, food and essential goods providers and continuous operating cycle entities.

Due to lockdown and business disruption in many countries, global oil demand has drastically decreased leading to oversupply and sharp fall in oil prices. On 12 April 2020, major global oil producers including Russia agreed to a record cut in crude oil production for stabilizing the oil market, which, however, has not been able to reverse the downward pressure on the oil market. Sharp decrease in oil prices and production volumes results in corresponding decrease of oil producers' income and payments to the budget, which is likely to have major economic and social consequences and unavoidably affect public sector spending.

These events will have wider adverse effects on the economy, including:

- Disruption to business operations and economic activity, with a negative impact on supply chains and breach of contracts;
- Significant disruption to businesses in certain sectors, both operating on domestic market and export-oriented businesses with high reliance on foreign markets. Mostly affected sectors include retail, travel and tourism, entertainment and hospitality sector, transportation, oil industry, construction, automotive, insurance and financial sector;
- Significant decrease in demand for non-essential goods and services;
- An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.

In March 2020, the Russian government announced a package of measures to support industries most heavily affected by the outbreak of COVID-19. The program includes, among other, deferral of tax and fee payments for small and medium-sized businesses, postponement of loans repayment, suspension of lease payments on federal and municipal property, state support on loans refinancing and restructuring for businesses in hard-hit industries. Besides, social contribution tax rate was lowered for all small and medium-sized businesses.

Considering rapidly changing macroeconomic situation as well as the impact of the COVID-19 coronavirus pandemic on financial markets, the Bank's management decided to develop a new three-level classification of current customers to identify industries directly or indirectly affected by the threat of a new COVID-19 coronavirus infection and to apply a number of measures to monitor such customers, as well as to ensure the implementation of a government program to support small and medium-sized businesses.

The management of the Bank takes all necessary and appropriate measures to maintain the economic stability of the Bank under the current conditions and believes that the Bank has the potential for further normal functioning thereof. The core competencies of the Bank and applicable credit policy allows building the long-term business relationships with major counterparties and provide conditions for the Bank's continued operations.

The condensed interim financial statements reflect management's assessment of the possible impact of the business environment on the operations and financial position of the Bank. The future business environment may differ from management's assessment.

### **3 Basis of preparation**

#### **Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for the complete financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements.

#### **Basis of measurement**

These condensed interim financial statements are prepared on the historical cost basis except that financial instruments at fair value.

#### **Functional and presentation currency**

Financial statements are presented in the national currency of the Russian Federation (Russian Rouble), which is the Bank's functional currency and presentation currency for the purposes of these financial statements. Unless otherwise indicated, financial information is presented in thousands of Russian Rubles.

As at 30 June 2020 the official exchange rate of the Bank of Russia to revalue the account balances in foreign currency is:

	30 June 2020	31 December 2019
USD	69,9513	61,9057
EUR	78,6812	69,3406
CNY	9,88278	8,85937

#### Use of estimates and judgments

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The same estimates and underlying assumptions have been applied in these condensed interim financial statements as those applied in the preparation of the Bank's financial statements for the year ended 31 December 2019.

#### 4 Accounting principles

The accounting principles, presentations and calculation methods applied in these condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2019.

##### *Standards issued but not yet effective*

The following new and revised IFRSs have been issued but are not yet effective and not applied by the Bank :

New or revised IFRS or interpretation	Effective date
IFRS 17 <i>Insurance Contracts</i>	1 January 2021

#### 5 Interest income and expense

Interest income and interest expenses comprise:

	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
<i>Interest income calculated using the effective interest method</i>	<b>1 150 454</b>	<b>1 266 811</b>
Loans to customers	580 386	626 535
Due from financial institutions	346 244	357 769
Investment securities	193 291	251 090
Factoring transactions	30 533	31 417
<i>Other interest income</i>	<b>11 959</b>	<b>2 869</b>
Financial assets measured at FVTPL	11 959	2 869
<b>Total interest income</b>	<b>1 162 413</b>	<b>1 269 680</b>
<i>Interest expense</i>		
Due to customers	(253 943)	(239 306)
Subordinated loans	(124 275)	(155 834)
Due to financial institutions	(105 812)	(282 248)
Lease liabilities	(7 383)	(5 015)
<b>Total interest expense on financial liabilities not measured at FVTPL</b>	<b>(491 413)</b>	<b>(682 403)</b>
<b>Total interest expense</b>	<b>(491 413)</b>	<b>(682 403)</b>
<b>Net interest income</b>	<b>671 000</b>	<b>587 277</b>

## 6 Operating expenses

Administrative and other operating expenses comprise.

	<b>30 June 2020</b> <b>(Unaudited)</b>	<b>30 June 2019</b> <b>(Unaudited)</b>
Personnel expenses	(293 563)	(249 568)
Depreciation	(51 591)	(41 402)
Insurance	(38 576)	(32 807)
Expenses on owned and leased property and equipment (maintenance, repairs and sale)	(10 516)	(14 528)
Taxes and fees other than income tax	(13 129)	(13 472)
Professional services	(10 706)	(8 666)
Communication services	(9 363)	(15 514)
Expenses on the intellectual property licence	(9 196)	(11 390)
Operating lease expense	(99)	(2 231)
Other	(12 317)	(11 514)
<b>Operating expenses</b>	<b>(449 056)</b>	<b>(401 092)</b>

## 7 Cash and cash equivalents

	<b>30 June 2020</b> <b>(Unaudited)</b>	<b>31 December 2019</b>
<b>Cash on hand</b>	<b>59 383</b>	<b>62 532</b>
<b>Nostro accounts with CBR</b>	<b>9 230 178</b>	<b>2 948 963</b>
<b>Nostro accounts with other banks</b>		
- rated AA-	1	-
- rated from A- to A+	12 227 500	2 452 978
- rated from BBB- to BBB +	44 359	2 218 252
<b>Total nostro accounts with other banks</b>	<b>12 271 860</b>	<b>4 671 230</b>
<b>Total cash and cash equivalents before allowance for expected credit losses</b>	<b>21 561 421</b>	<b>7 682 725</b>
Allowance for expected credit losses	(70)	(53)
<b>Total cash and cash equivalents</b>	<b>21 561 351</b>	<b>7 682 672</b>

“Nostro accounts with other banks” comprise cash balances placed in foreign banks primarily related to ICBC Group.

As at 30 June 2020 the Bank has one client except the Bank of Russia, which balances on correspondent accounts exceed 10% of “Cash and cash equivalents” (as at 31 December 2019: two clients except the Bank of Russia, which balances on correspondent accounts exceed 10% of “Cash and cash equivalents”). The gross value of the balances of these clients equals to RUB 7 241 441 thousand or 33.59% of “Cash and cash equivalents” (31 December 2019: RUB 4 178 437 thousand or 54.39% of “Cash and cash equivalents”).

The movements in allowance for credit losses on cash and cash equivalents for the six-month periods ended 30 June 2020 and 2019 are as follows:

	<b>30 June 2020 (Unaudited)</b>	<b>30 June 2019 (Unaudited)</b>
	<b>12-month expected credit losses (ECL)</b>	<b>12-month expected credit losses (ECL)</b>
<b>Allowance for expected credit losses at the beginning of the year</b>	<b>(53)</b>	<b>(170)</b>
Recovery of allowance	(17)	97
<b>Allowance for expected credit losses at the end of the period</b>	<b>(70)</b>	<b>(73)</b>

As at 30 June 2020 the Bank's cash and cash equivalents were included in Stage 1 of credit quality and were not overdue (31 December 2019: Stage 1 and not overdue).

## 8 Amounts due from financial institutions

Amounts due from financial institutions comprise loans (deposits) provided to counterparties by the Bank.

The following tables provide information on the credit quality of due from financial institutions as at 30 June 2020 (unaudited):

	<b>Time interbank credits and deposits</b>	<b>Security deposit of the payment system operator with the Bank of Russia</b>	<b>Other due from financial institutions</b>	<b>Total amounts due from financial institutions</b>
<i>Amounts due from financial institutions measured at amortised cost</i>				
<b>With an external gradation of credit risk:</b>				
- rated from A- to A+	989 864	-	63 656	<b>1 053 520</b>
- rated from BBB- to BBB+	2 550 023	816 998	4 551 596	<b>7 918 617</b>
- rated from BB- to BB+	1 943 871	-	-	<b>1 943 871</b>
<b>With only internal gradation of credit risk:</b>				
- internal credit rating from AA- to AA+	630 352	-	-	<b>630 352</b>
<b>Total amounts due from financial institutions before allowance for expected credit losses</b>	<b>6 114 110</b>	<b>816 998</b>	<b>4 615 252</b>	<b>11 546 360</b>
Allowance for expected credit losses	(3 377)	-	(218)	<b>(3 595)</b>
<b>Total amounts due from financial institutions measured at amortised cost</b>	<b>6 110 733</b>	<b>816 998</b>	<b>4 615 034</b>	<b>11 542 765</b>
<i>Amounts due from financial institutions measured at FVTPL</i>				
- rated from BBB- to BBB+	736 519	-	-	<b>736 519</b>
<b>Total amounts due from financial institutions measured at FVTPL</b>	<b>736 519</b>	<b>-</b>	<b>-</b>	<b>736 519</b>

The following table provides information about the credit quality of amounts due from financial institutions as at 31 December 2019:

	<b>Time interbank loans and deposits</b>	<b>Security deposit of the payment system operator with the Bank of Russia</b>	<b>Other due from financial institutions</b>	<b>Total amounts due from financial institutions</b>
<i>Amounts due from financial institutions measured at amortised cost</i>				
- rated from BBB- to BBB+	9 836 915	816 998	1 193 057	<b>11 846 970</b>
- rated from BB- to BB+	7 641 630	-	328 252	<b>7 969 882</b>
<b>Total amounts due from financial institutions before allowance for expected credit losses</b>	<b>17 478 545</b>	<b>816 998</b>	<b>1 521 309</b>	<b>19 816 852</b>
Allowance for expected credit losses	(10 772)	-	-	<b>(10 772)</b>
<b>Total amounts due from financial institutions measured at amortised cost</b>	<b>17 467 773</b>	<b>816 998</b>	<b>1 521 309</b>	<b>19 806 080</b>
<i>Amounts due from financial institutions measured at FVTPL</i>				
- rated from BBB- to BBB+	783 509	-	-	<b>783 509</b>
<b>Total amounts due from financial institutions measured at FVTPL</b>	<b>783 509</b>	<b>-</b>	<b>-</b>	<b>783 509</b>

The category “Term Interbank Loans and Deposits” includes amounts of claims on post-financing operations with letters of credit from Russian banks. As at 30 June 2020 these amounts amounted to RUB 379 058 thousand (31 December 2019: RUB 1 167 418 thousand). Included in the category “Other amounts due from financial institutions” are balances of accounts on the exchange.

***Information on significant balances of cash and cash equivalents held by the Bank but not available for use***

The amount of material balances not available for use as at 30 June 2020 was RUB 816 998 thousand - a security contribution from a payment system operator (31 December 2019: RUB 816 998 thousand). The Bank is an operator of the ICBC payment system. Within this payment system, the Bank made a quarterly transfer of security deposit to the Bank of Russia. These funds are excluded from “Cash and Cash Equivalents” as the Bank has restrictions on their use in accordance with Article 82.5 of Federal Law No. 86-FZ dated 10.07.2002 “On the Central Bank of the Russian Federation (Bank of Russia)”.

As at 30 June 2020 the Bank had all amounts due from financial institutions in Stage 1 and not overdue (31 December 2019: all amounts due from financial institutions in Stage 1 and not overdue).

The movements in allowance for credit losses on amounts due from credit institutions for the six-month periods ended 30 June 2020 and 2019 are as follows:

	<b>30 June 2020 (unaudited) 12-month ECL</b>	<b>30 June 2019 (unaudited) 12-month ECL</b>
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>(10 772)</b>	<b>(10 117)</b>
Reversal/ (charge) of allowance	7 177	(13 069)
<b>Allowance for expected credit losses at the end of the period</b>	<b>(3 595)</b>	<b>(23 186)</b>

As at 30 June 2020 the Bank has 3 clients, which balances individually exceed 10% of “Amounts due from financial institutions” (as at 31 December 2019: 5 clients). The gross value of the balances of these clients is RUB 8 309 604 thousand or 71.99% of “Amounts due from financial institutions” (as at 31 December 2019: RUB 12 957 191 thousand or 62.93% of “Amounts due from financial institutions”).

**9 Financial assets measured at fair value**

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December 2019</b>
<i>Derivative financial instruments</i>		
<b>Contracts for the purchase and sale of foreign currency</b>		
- rated from A- to A+	24 038	-
<b>Total financial instruments held by the Bank</b>	<b>24 038</b>	<b>-</b>

Financial assets at fair value represented by term interbank deposits are disclosed in Note 8.

**10 Loans and advances to customers**

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December 2019</b>
<i>Loans to corporate customers</i>	<i>27 007 640</i>	<i>22 156 373</i>
<i>With an external gradation of credit risk:</i>		
-rated from BBB- to BBB+	3 691 928	2 293 452
-rated from BB- to BB+	10 616 820	10 979 168
<i>With only internal gradation of credit risk:</i>		
-rated from AA- to AA+	6 956 784	6 229 079
-rated from A- to A+	4 260 403	44 027
-rated from BBB- to BBB+	1 465 646	2 594 507
-no rated	16 059	16 140
<i>Loans to retail customers</i>	<i>90</i>	<i>204</i>
<b>Total loans and advances to customers before allowance for expected credit losses</b>	<b>27 007 730</b>	<b>22 156 577</b>
Allowance for expected credit losses	(192 601)	(176 724)
<b>Total loans and advances to customers</b>	<b>26 815 129</b>	<b>21 979 853</b>

As at 30 June 2020 the Bank has 3 clients, whose balances individually exceed 10% of “Loans and advances to customers” (as at 31 December 2019: 2 clients). The gross value of the balances of these clients is RUB 10 462 282 thousand or 39.02% of “Loans and advances to customers” (as at 31 December 2019: RUB 5 184 602 thousand or 23.59% of “Loans and advances to customers”).

The core Bank's customers are primarily major Russian corporations.



The table below shows industry concentration of the loans and advances to customers:

	<b>30 June 2020 (unaudited)</b>		<b>31 December 2019</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Oil and gas/Chemicals	11 090 990	41,07%	11 072 833	49,98%
Forest and timber industry	5 428 645	20,10%	5 606 140	25,30%
Metallurgy	4 471 329	16,56%	3 770 817	17,02%
Communications and data transmission	3 806 643	14,09%	-	0,00%
Investment and financial activities	1 260 002	4,67%	1 247 673	5,63%
Transport	925 529	3,42%	398 743	1,80%
Other	16 059	0,06%	16 140	0,07%
Trade and services	8 443	0,03%	44 027	0,20%
Individuals	90	0,00%	204	0,00%
<b>Total loans and advances to customers before allowance for expected credit losses</b>	<b>27 007 730</b>	<b>100,00%</b>	<b>22 156 577</b>	<b>100,00%</b>
Allowance for expected credit losses	(192 601)		(176 724)	
<b>Total loans and advances to customers</b>	<b>26 815 129</b>		<b>21 979 853</b>	

#### Reclassification of comparative information

During the six-month period ended 30 June 2020 the Bank reconsidered the classification of the certain corporate borrowers within the industry sectors. Comparative information has been reclassified to conform to changes in presentation in interim condensed financial statements in the current period. The effect of these changes in presentation as at 31 December 2019 is as follows:

<b>Loans to corporate customers</b>	<b>As previously reported</b>	<b>Reclassification</b>	<b>Reclassified</b>
Oil and gas and chemical industries	13 341 642	(2 268 809)	11 072 833
Metal production	1 502 008	2 268 809	3 770 817

The following table show reconciliations from the opening to the closing balances of allowance for expected credit losses by loans to customers measured at amortised cost.

	<b>30 June 2020 (unaudited)</b>		<b>Total</b>
	<b>12-month expected credit losses (ECL)</b>	<b>Expected credit losses for the entire period on assets that are not credit-impaired</b>	
<b>Loans to customers measured at amortised cost</b>			
<b>Balance at 1 January 2020</b>	(176 724)	-	<b>(176 724)</b>
Transfer to Stage 2	3 153	(3 153)	-
Net change in allowance for expected credit losses	49 619	(35 653)	<b>13 966</b>
Purchased or originated loans financial assets	(16 082)	-	<b>(16 082)</b>
Fully repaid loans	5 918	-	<b>5 918</b>
Changes in currency rates and other changes	(14 452)	(5 227)	<b>(19 679)</b>
<b>Balance as at 30 June 2020</b>	<b>(148 568)</b>	<b>(44 033)</b>	<b>(192 601)</b>

The transfer from 12-month expected credit losses to expected credit losses for entire period on assets that were not impaired during the reporting period in the amount of RUB 1 518 622 thousand resulted in an increase of ECL by RUB 35 653 thousand. As at 30 June 2020 the Bank had no overdue loans and advances to customers (31 December 2019: Stage 1 and not overdue).

The following information is provided as at 30 June 2019:

	<b>30 June 2019 (unaudited)</b>
<b>Loans to customers measured at amortised cost</b>	<b>12-month ECL</b>
<b>Balance as at 1 January 2019</b>	<b>(216 721)</b>
Net change in allowance for expected credit losses	82 650
Purchased or originated loans financial assets	(34 837)
Fully repaid loans	6 301
Changes in currency rates and other changes	(10 836)
<b>Balance as at 30 June 2019</b>	<b>(173 443)</b>

The effect of the significant changes in the gross carrying amount of financial instruments during the reporting period that contributed to changes in loss allowance were as follows :

- Repayment of loans by corporate customers in the amount of RUB 3 618 million during six months 2020 contributed to decrease of ECL in the amount of RUB 6 million (30 June 2019: Repayment of loans by corporate customers in the amount of RUB 2 128 million during six months 2019 contributed to decrease of ECL in the amount of RUB 6 million)
- Loans issued to corporate customers in the amount of RUB 10 893 million during six months 2020 contributed to increase of ECL in the amount of RUB 16 million (30 June 2019: Loans issued to corporate customers in the amount of RUB 4 030 million during six months 2020 contributed to increase of ECL in the amount of RUB 35 million)

Changes in these estimates could affect the allowance for expected credit losses. A 1% increase/decrease in the net present value of expected loan flows would reduce/increase the allowance for expected credit losses on loans to customers by RUB 268 151 thousand as at 30 June 2020 (31 December 2019: RUB 219 799 thousand).

## **11 Investment securities**

	<b>30 June 2020 (unaudited)</b>	<b>31 December 2019</b>
<i>Debt securities</i>		
<b>Russian Government bonds and bonds of the Bank of Russia</b>	<b>5 399 334</b>	<b>7 651 654</b>
- rated BBB-	5 399 334	7 651 654
<b>Regional and municipal bonds</b>	<b>1 005 700</b>	<b>1 005 700</b>
- rated BBB	1 005 700	1 005 700
<b>Bonds of foreign credit institutions</b>	<b>1 254 688</b>	<b>444 798</b>
- rated from A- to A+	1 254 688	444 798
<b>Total debt securities before allowance for expected credit losses</b>	<b>7 659 722</b>	<b>9 102 152</b>
Allowance for expected credit losses	(10 933)	(3 537)
<b>Total investment securities</b>	<b>7 648 789</b>	<b>9 098 615</b>

During 2020 the Bank has not invested funds in investment securities on non-market terms. As at 30 June 2020 all investment securities are included in Stage 1 of credit quality and are not overdue (31 December 2019: were included in Stage 1 of credit quality and were not overdue).

Movements in allowance for expected credit losses on investment securities for the six-month periods ended 30 June 2020 and 2019 were as follows :

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>30 June 2019</b> <b>(unaudited)</b>
	<b>12-month ECL</b>	<b>12-month ECL</b>
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>(3 537)</b>	<b>(9 978)</b>
Charge for the period	(7 396)	4 140
<b>Allowance for expected credit losses at the end of the period</b>	<b>(10 933)</b>	<b>(5 838)</b>

For information on fair value of investment securities, see Note 17.

## **12 Amounts due to financial institutions**

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December 2019</b>
Correspondent accounts and overnight deposits of other banks	12 252 682	7 973 302
Time loans and deposits of other banks	-	8 713 163
<b>Total amounts due to financial institutions</b>	<b>12 252 682</b>	<b>16 686 465</b>

As at 30 June 2020 the Bank has 4 clients, which balances individually exceed 10% of ‘Amounts due to financial institutions’ (as at 31 December 2019: 2 clients). The gross value of the balances of these clients is RUB 7 639 386 thousand or 62.35% of “Amounts due to financial institutions” (31 December 2019: RUB 4 962 218 thousand or 29.74% of “mounts due to financial institutions”).

## **13 Amounts due to customers**

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>31 December 2019</b>
<i>Deposits of private entities</i>		
Time deposits	22 902 893	15 497 961
Current and settlement accounts	11 336 874	6 739 750
Other deposits	215 188	270 106
<b>Total deposits of private entities</b>	<b>34 454 955</b>	<b>22 507 817</b>
<i>Other customer deposits</i>		
Other customer accounts	367 262	278
<b>Total other customer deposits</b>	<b>367 262</b>	<b>278</b>
<i>Deposits of individuals</i>		
Current accounts and on demand	25 909	23 407
Time deposits	10 639	16 722
<b>Total deposits of individuals</b>	<b>36 548</b>	<b>40 129</b>
<b>Total amounts due to customers</b>	<b>34 858 765</b>	<b>22 548 224</b>

Over the period of its operation, the Bank client base has been quite stable and represented by the Russian branches of Chinese commercial and state-owned companies. The Russian clients of the Bank include major energy providers as well as trade companies classified as “medium and small-scale business”.

As at 30 June 2020 the Bank has 1 client which balances individually exceed 10% of “Amounts due to customers” (as at 31 December 2019: 2 clients which balances exceeded 10% of “Amounts due to customers”, the gross value of the balances of these clients was RUB 7 901 800 thousand or 35.04 % of “Amounts due to customers”). The gross value of the balances of this client is RUB 10 582 932 thousand or 30.36 % of “Amounts due to customers”.

#### **14 Subordinated loans**

The subordinated loan in the amount of RUB 8 456 926 thousand (2019: RUB 7 497 055 thousand) was formed by the loans received by the Bank from its parent company Industrial and Commercial Bank of China Limited.

The loan in the amount of USD 50 000 thousand was granted in October 2013, with a ten-year term and the maturity in 2023. The agreement stipulates a variable interest rate set on the basis of 6M Libor + 1.3%. According to the loan agreement, the subordinated debt is converted into common shares of the Bank in cases stated in the regulations of the Bank of Russia.

The loan in the amount of USD 70 000 thousand was granted in February 2018, with a fifteen-year term and the maturity in 2033. The agreement stipulates a variable interest rate set on the basis of 6M Libor + 1.3%. According to the loan agreement, the subordinated debt is converted into common shares of the Bank in cases stated in the regulations of the Bank of Russia.

#### **15 Share capital and share premium**

	<b>Number of shares</b>	<b>Nominal value per share</b>	<b>Nominal value</b>
<b>31 December 2019</b>	<b>432 380</b>	<b>25</b>	<b>10 809 500</b>
<b>30 June 2020 (unaudited)</b>	<b>432 380</b>	<b>25</b>	<b>10 809 500</b>

In accordance with the Russian legislation, dividends may only be distributed to the shareholders of the Bank from accumulated retained earnings as shown in the Bank’s financial statements prepared in accordance with Russian accounting principles. As at 31 December 2019, the retained earnings of the Bank were RUB 1 238 676 thousand. By the Decision No. 29 of 29 June 2020 taken by the Annual Shareholders Meeting, dividend payment of RUB 1 176 742 thousand was approved (as at 31 December 2018 the retained earnings of the Bank were RUB 1 885 874 thousand. By the Decision No. 28 of 27 June 2019 taken by the Annual Shareholders Meeting, dividend payment of RUB 719 966 thousand was approved).

#### **16 Provisions, contingent liabilities and contingent assets**

##### **Insurance**

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on the Bank’s property or relating to the Bank’s operations.

##### **Litigation**

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial conditions or the results of future operations of the Bank.

##### **Taxation**

The taxation system in the Russian Federation continues to develop and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges. A tax year generally remains open for review by the tax authorities for three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

Transfer pricing legislation enacted in the Russian Federation starting from 1 January 2012 provides for major modifications making local transfer pricing rules closer to OECD guidelines, but creating additional uncertainty in practical application of tax legislation in certain circumstances.

In general, the management believes that the Bank has assessed or paid all taxes set forth by law. As to transactions, for which there is any uncertainty over taxes, except for income tax, the Bank assessed tax liabilities in accordance with the best assessment by the management of probable outflow of resources that would be required to settle the said liabilities. Possible liabilities identified as at the reporting date, which are determined by management as liabilities related to different interpretation of the tax legislation and regulations, are not assessed in the financial statements.

### **Credit related commitments**

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and, therefore, carry less risk than a direct borrowing.

The Bank's outstanding credit related commitments are as follows:

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>(unaudited)</b>	
Undrawn loan commitments and overdraft limits	6 149 121	7 639 329
Guarantees issued	4 512 727	4 914 040
Other commitments	2 650 807	2 718 527
Letters of credit	652 013	240 982
<b>Total credit related commitments</b>	<b>13 964 668</b>	<b>15 512 878</b>
<b>Allowance for expected credit losses</b>	<b>(7 785)</b>	<b>(1 182)</b>
<b>Total credit related commitments</b>	<b>13 956 883</b>	<b>15 511 696</b>

The following table provides information on credit quality of credit related commitments (unused credit lines and letters of credit) as at 30 June 2020 (unaudited) and 31 December 2019:

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>(unaudited)</b>	
<b><i>Unused credit lines and overdraft limits</i></b>	<b>6 149 121</b>	<b>7 639 329</b>
- rated from BBB- to BBB+	1 976 556	1 771 874
- rated from BB- to BB+	-	3 867 455
- rated from B- to B+	-	2 000 000
<i>Having only internal gradation of credit risk:</i>		
- internal rating from AA- to AA+	3 497 565	-
- internal credit rating from A- to A+	675 000	-
<b><i>Letters of credit</i></b>	<b>652 012</b>	<b>240 982</b>
- rated from BBB- to BBB+	307 137	15 510
- rated from BB- to BB+	-	19 250
<i>Having only internal gradation of credit risk:</i>		
- internal credit rating from A- to A+	344 875	206 222
<b>Total credit related commitments (unused credit lines and</b>	<b>6 801 133</b>	<b>7 880 311</b>
<b>Allowance for expected credit losses</b>	<b>(7 785)</b>	<b>(1 182)</b>
<b>Total credit related commitments (unused credit lines and</b>	<b>6 793 348</b>	<b>7 879 129</b>

Movements in the allowance for expected credit losses on credit related commitments (unused credit lines and letters of credit) are as follows:

	<b>30 June 2020 (unaudited) 12-month ECL</b>	<b>30 June 2019 (unaudited) 12-month ECL</b>
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>(1 182)</b>	<b>(3 286)</b>
Recovery / (Charge) for the period	(6 603)	1 818
<b>Allowance for expected credit losses at the end of the period</b>	<b>(7 785)</b>	<b>(1 468)</b>

As at 30 June 2020 all unused credit lines and letters of credit are included in Stage 1 of credit quality (31 December 2019: were included in Stage 1 of credit quality).

## 17 Fair value of financial instruments

Fair value is the amount for which an asset or liability could be exchanged between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is given by quoted price in the market for the financial instrument.

The Bank determined the estimated fair value of financial instruments on the basis of available market data (if any) and proper valuation techniques. Professional judgements are however required to interpret market data to determine the fair value. Notwithstanding the Russian Federation has investment grade ratings, it continues to display some characteristic of an emerging economy and economic environment continues to limit the level of activity in financial markets. Market quotations may be outdated or reflect low sale cost and, in view of this, misrepresent the fair value of financial instruments. Management uses all available market data when assessing the fair value of financial instruments.

Fair value approaches in these condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2019.

The fair value of financial instruments as at 30 June 2020 (unaudited data) is as follows:

	<b>30 June 2020 (unaudited)</b>			
	<b>Carrying amount</b>	<b>Fair value (Level 1)</b>	<b>Fair value (Level 2)</b>	<b>Fair value (Level 3)</b>
<i>Financial assets at amortised cost</i>				
Investment securities	7 659 722	7 749 885	-	-
<i>Financial assets measured at fair value through profit or loss</i>				
Amounts due from financial institutions	736 519	-	-	736 519
Derivative financial instruments	24 038	-	24 038	-

The fair value of financial instruments is presented as at 31 December 2019:

	<b>31 December 2019</b>		
	<b>Carrying amount</b>	<b>Fair value (Level 1)</b>	<b>Fair value (Level 3)</b>
<i>Financial assets at amortised cost</i>			
Investment securities	9 102 152	9 168 981	-
<i>Financial assets at fair value through profit or loss</i>			
Amounts due from financial institutions	783 509	-	783 509

Fair value of other financial assets and financial liabilities as at 30 June 2020 (unaudited) and as at 31 December 2019 do not significantly differ from their carrying amount.

The Bank measures fair values of financial instruments recorded in the condensed interim Statement of Profit or Loss using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – Quoted market price (unadjusted) in an active markets for identical assets or liabilities (without any adjustments);

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. These are inputs (adjustable), which are directly or indirectly observable for financial instrument, except price quotations categorised as Level 1.

Inputs of Levels 1 and 2 are observable data for a financial instrument being valued;

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This category covers all instruments for which the valuation technique includes inputs not based on public data and such data, which is not publicly available in the market, has significant effect on the instrument valuation. The Bank includes instruments that are valued based on quoted prices for similar instruments where significant adjustments or judgements, which are not publicly available, are required to reflect differences between the instruments.

Fair value of financial assets carried at fair value through profit or loss was calculated by discounting using an average weighted market rate, which was equal to the allocation rate under the contract at initial recognition.

Movement in fair value of amounts due from financial institutions measured at fair value through profit or loss for the six-month periods ended 30 June 2020 and 2019 is as follows:

	<b>30 June 2020</b> <b>(unaudited)</b>	<b>30 June 2019</b> <b>(unaudited)</b>
<b>Fair value at 1 January</b>	<b>783 509</b>	<b>-</b>
Loans issued	-	954 405
Repaid loans	(156 575)	-
Accrued interest income	11 959	2 871
Paid interest income	(15 105)	-
Effect of foreign currencies revaluation	112 731	(29 086)
<b>Fair value at 30 June</b>	<b>736 519</b>	<b>928 190</b>

Determining the fair value of financial instruments as at 30 June 2020, management of the Bank made the following assumptions:

-to discount future cash flows of financial institutions, the Bank may use an average weighted (average market) interest rate, or a mean value between the maximum interest rates, or an average between the minimum and maximum market rates (depending on the type of instrument). Inputs used to determine a market rate for trade finance transactions, including risk sharing, are classified as unobservable (Level 3), therefore, the Bank used its own assumptions for market rates: cost of resources for the Bank quoted by the Bank Treasury, participating bank or other financing banks at the time of transaction negotiation + the Bank's margin of 0.15% - 3.00% p.a. irrespective of the transaction currency. The rate depends on the timing and volume of transaction as well as assessment of a counterparty's financial position.

The table below sets out information about significant unobservable inputs used in the measuring financial instruments categorised as Level 3 in the fair value hierarchy as at 30 June 2020 (unaudited):

Type of instrument	Fairvalue	Valuation technique	Significant unobservable input	Unobservable inputs
Amounts due from financial institutions measured at FVTPL	736 519	Discounted cash flows from operating activities	Risk-adjusted discount rate	Cost of resources for the Bank + the Bank's margin of 0,15% - 3,00% p.a. irrespective of the transaction currency

A 1% increase/decrease in the discount rates would reduce/increase the fair value of these instruments as at 30 June 2020 by RUB 7 365 thousand (31 December 2019: RUB 7 835 thousand).



## 18 Related party transactions

For the purposes of these financial statements, the parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as stated in IAS 24 *Related Party Disclosures*. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form

To disclose related parties information, the Bank considers four categories of related parties:

1. The parent company is Industrial and Commercial Bank of China Limited JSC. The party with ultimate control over the Bank is the Government of the People's Republic of China
2. Companies of ICBC group are entities, which are members of the financial group of Industrial and Commercial Bank of China Limited JSC.
3. The Bank's key management personnel is represented by an individual or a close family member of the individual who is the Bank's key management personnel.
4. Other companies are parties under influence of the same governmental bodies of the PRC as those who have control, joint control or significant influence on other parties and the Bank, except those represented in other categories by companies of ICBC group.

During the reporting period, the Bank actively cooperated with the Parent company - Industrial and Commercial Bank of China Limited JSC, which is a shareholder of the Bank, its branches and subsidiaries in the interbank lending market, trade finance, foreign currency purchase and sales transactions (including CNY/RUB currency pair).

As at 30 June 2020, the Bank's related parties were as follows:

### *Key management personnel of the Bank:*

Name	Activities	Functions
Li Wencong	President	Management
Igor G. Titlin	Vice-President	Management
Wang Gang	Vice-President	Management
Natalia V. Kuzmina	Chief Accountant	Management
Shao Changyong	Vice-President	Management

### *Transactions with the Bank's key management personnel*

Total remuneration included in operating expenses is as follows:

	30 June 2020 (unaudited)		30 June 2019 (unaudited)	
	Total accrued expenses	Ownership, %	Total accrued expenses	Ownership, %
Wages and salaries	22 206	66,71%	36 985	79,82%
Bonuses	7 726	23,21%	3 522	7,60%
Long-term benefits	3 354	10,08%	5 400	11,65%
Other payments	-	-	430	0,93%
<i>including payroll related taxes and deductions</i>	3 891	-	5 322	-
<b>TOTAL</b>	<b>33 286</b>	<b>100%</b>	<b>46 337</b>	<b>100%</b>

These amounts include cash and non-cash remuneration of the members of Board of Directors and the Management Board.

The outstanding balances and average interest rates as at 30 June 2020 and 31 December 2019 for transactions with the members of the Board of Directors and the Management Board are as follows:

	<b>30 June 2020 (unaudited)</b>		<b>31 December 2019</b>	
	<b>Carrying amount</b>	<b>Average interest rate, %</b>	<b>Carrying amount</b>	<b>Average interest rate, %</b>
<b>LIABILITIES</b>				
Other liabilities and reserves	14 802	-	15 170	-
<b>Total liabilities</b>	<b>14 802</b>	<b>-</b>	<b>15 170</b>	<b>-</b>

Amounts included in profit or loss in relation to transactions with the members of the Board of Directors and the Management Board are as follows.

	<b>30 June 2020 (unaudited)</b>	<b>30 June 2019 (unaudited)</b>
Net gains (loss) from transactions with foreign currencies and financial derivatives	44	17

The outstanding balances and the related average effective interest rates as at 30 June 2020 and related income and expenses on transactions with related parties the six-month period ended 30 June 2020 (unaudited) are as follows:

	Parent company		Companies of ICBC group		Other companies		Total
		Average effective interest rate		Average effective interest rate		Average effective interest rate	
Statement of financial position							
Cash and cash equivalents	1 689 146	0,01%	3 296 886	0,23%	23 907	0,10%	5 009 939
Financial assets measured at fair value	-		24 038		-		24 038
Amounts due from financial institutions	-		1 053 464	2,58%	630 226	1,35%	1 683 690
Loans and advances to customers	-		-		21 353	8,50%	21 353
Investment securities	-		-		1 254 412	3,12%	1 254 412
Fixed assets and intangible assets	-		-		35 265		35 265
Other assets	-		978		129		1 107
Total assets	1 689 146		4 375 366		1 965 292		8 029 804
Amounts due to financial institutions	1 731 828	0,12%	10 195	0,25%	42 412	1,57%	1 784 435
Amounts due to customers	-		-		17 247 155	1,38%	17 247 155
Subordinated loans	8 456 926	2,62%	-		-		8 456 926
Other liabilities	-		32 251		33 864		66 115
Total liabilities	10 188 754		42 446		17 323 431		27 554 631

	Parent company	Companies of ICBC group		Other companies		Total
	Average effective interest rate		Average effective interest rate		Average effective interest rate	
<b>Off-balance sheet commitments</b>						
Guarantees received	-	948 631	0,25%	3 628 717	0,20%	<b>4 577 348</b>
Guarantees issued	-	948 631	0,25%	3 516 464	0,20%	<b>4 465 095</b>
<b>Statement of profit or loss and other comprehensive income</b>						
Interest income	45 607	2 197		15 214		<b>63 018</b>
Interest expenses	(125 304)	(20 077)		(138 887)		<b>(284 268)</b>
Change in allowance for expected credit losses (impairment allowance) on interest-bearing debt financial assets	10	(73)		14 903		<b>14 840</b>
Net (loss) gains from transactions with foreign currencies and financial derivatives	(252 873)	(1 331 560)		7 249		<b>(1 577 184)</b>
Fee and commission income	1 469	5 006		43 047		<b>49 522</b>
Fee and commission expense	(72)	(1 189)		(28)		<b>(1 289)</b>
Other operating income	-	-		469		<b>469</b>
Operating expenses	-	-		(2 780)		<b>(2 780)</b>

Net (loss) gains from transactions with foreign currencies and financial derivatives are represented by the financial results from foreign exchange swap transactions aimed for foreign exchange risk management.

The outstanding balances and the related average effective interest rates as at 31 December 2019 and related income and expenses on transactions with related parties for the six months of 2019 (unaudited) are as follows:

	Parent company		Companies of ICBC group		Other companies		Total
	Average effective interest rate		Average effective interest rate		Average effective interest rate		
Statement of financial position							
Cash and cash equivalents	2 290 348	1,29%	40 843	(0,38%)	2 464	0,50%	2 333 655
Investment securities	-	-	-	-	444 664	2,90%	444 664
Other assets	-	-	1 634		1 909		3 543
Total assets	2 290 348		42 477		449 037		2 781 862
Amounts due to financial institutions	1 246 568	0,14%	793 697	3,02%	2 876 300	5,51%	4 916 565
Amounts due to customers	-	-	-	-	9 611 917	1,32%	9 611 917
Other liabilities and reserves	-		32 750	-	1 888	-	34 638
Subordinated loans	7 497 056	3,27%	-	-	-	-	7 497 056
Total liabilities	8 743 624		826 447		12 490 105		22 060 176
Off-balance sheet commitments							
Guarantees received	-	-	988 214	0,29%	3 640 797	0,20%	4 629 011
Guarantees issued	-	-	988 214	0,29%	3 640 797	0,20%	4 629 011

**Bank ICBC (JSC)**  
*Notes to the Condensed Interim Financial Statements for the six-month period ended 30 June 2020*  
*(Thousands of Russian Rubles)*

	Parent company	Companies of ICBC group	Other companies	Total
	Average effective interest rate	Average effective interest rate	Average effective interest rate	
<b>Statement of profit or loss and other comprehensive income</b>				
Interest income	24 817	14 241	61 885	100 943
Interest expense	(190 102)	(70 726)	(208 856)	(469 684)
Change in allowance for expected credit losses (impairment allowance) on interest-bearing debt financial assets	(31 297)	36 838	(39 873)	(34 332)
Net gains from transactions with foreign currencies and financial derivatives	79 558	521 573	25 155	626 286
Fee and commission income	5 174	-	9 804	14 978
Fee and commission expense	(3)	(545)	(853)	(1 401)

President

Li Wencong

Chief Accountant

Natalia V. Kuzmina

