中國銀行
BANK OF CHINA

# Bank of China Limited

## Stock Code: 3988

## 2024 Annual Report

The print version of the Bank's 2024 Annual Report, to be published in April 2025, will supersede this version.

# Introduction

Bank of China is the bank with the longest continuous operation among Chinese banks. Formally established in February 1912, the Bank served consecutively as the country's central bank, international exchange bank and specialised international trade bank. After 1949, drawing on its long history as the state-designated specialised foreign exchange and trade bank, the Bank became responsible for managing China's foreign exchange operations and offering international trade settlement, overseas fund transfer and other non-trade foreign exchange services. Restructured into a wholly state-owned commercial bank in 1994, the Bank has developed into a large commercial bank delivering a range of financial services in local and foreign currencies, boasting comprehensive and diversified businesses and strong competitive advantages. The Bank was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006, becoming the first Chinese bank to launch an A-Share and H-Share initial public offering and achieve a dual listing in both markets. The Bank was the official banking partner of the Beijing 2008 Summer Olympics and the Beijing 2022 Winter Olympics, thus making it the only bank in China to serve two Olympic Games. In 2011, Bank of China became the first financial institution from an emerging economy to be designated as a Global Systemically Important Bank, a designation it has now maintained for 14 consecutive years. With its growing international status, competitiveness and comprehensive strengths, the Bank has marched forward into the ranks of the world's large banks. At present, following the decisions and plans of the CPC Central Committee, the Bank takes serving the real economy as its fundamental mission, risk prevention and control as its eternal theme, consolidating and expanding its globalised advantages and improving its global layout capabilities as its primary task. Furthermore, the Bank concentrates on the five major tasks of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance, and contributes to the building of a strong financial powerhouse through diligent and pragmatic practice.

As China's most globalised and integrated bank, Bank of China has institutions across the Chinese mainland as well as in 64 countries and regions, with BOCHK and the Macau Branch serving as local note-issuing banks in their respective markets. The Bank has a well-established global service network and an integrated financial service system based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financing leasing and other areas, thus providing its customers with financial solutions featuring global expertise and comprehensive services accessible at any point of contact.

Bank of China embodies a noble sense of commitment and responsibility. Since its establishment 113 years ago, the Bank has steadfastly upheld its historic mission of "promoting social welfare and contributing to a prosperous nation". This mission has formed a valuable spiritual legacy that aligns with the financial culture with Chinese characteristics: to remain committed to honesty and trustworthiness, to seek interest without compromising moral principles, to be prudent and cautious in work, to uphold fundamental principles and break new ground, and to be compliant with law and regulations. On the new journey towards building a modern socialist country in all respects, Bank of China will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and faithfully implement the new development philosophy. It will accurately identify the convergence points, focal points, and supporting points for implementing national policies and plans and achieving its high-quality development. It will serve as a practitioner in implementing the decisions and plans of the CPC Central Committee, a primary force in supporting the real economy, a pioneer in serving the new development pattern featuring the positive interplay between domestic and international economic flows, a bedrock for maintaining financial stability, and an active player in strengthening large state-owned financial institutions. It will unswervingly follow the path of financial development with Chinese characteristics, continue to break new ground for its high-quality development, and make greater contributions to comprehensively advancing the building of a stronger country and the great cause of national rejuvenation with Chinese modernisation.

# Honours and Awards

| | |
|---|---|
| ***The Banker*** | Ranked 4th in the Top 1000 World Banks |
| ***The Banker, Brand Finance*** | Ranked 4th in the Banking 500 |
| ***Fortune*** | Ranked 37th in the Fortune Global 500 |
| ***Global Finance*** | Best Bank for Sustainable Infrastructure Finance in Asia – Pacific |
| ***The Asian Banker*** | Best RMB Clearing Bank in Asia Pacific |
| | Family Succession Service of the Year in China |
| ***Euromoney*** | China's Best Bank, China's Best Bank for ESG |
| | Best State-owned Private Bank |
| ***The Asset*** | The Asset Triple A Digital Awards – Best Cloud Based Project |
| | The Asset Triple A Awards – Best Service Provider Renminbi Bank |
| | The Asset Triple A Awards – Best Custodian, QDII China-Onshore |
| | The Asset Triple A Awards – Best Bond Adviser-International of China |
| ***Project Finance International*** | Global Deal of the Year |
| **Green Investment Principles for the Belt and Road Initiative (GIP)** | Best Innovation Award |
| **International Finance Forum (IFF)** | IFF Global Green Finance Award – Innovation Award |
| **People's Bank of China (PBOC)** | FinTech Development Award |
| **China Banking Association (CBA)** | Exemplary Unit for Green Banking |
| **China Association for Public Companies** | Best Practice Case for Board of Directors of Public Companies |
| **China Transaction Banking 50 Forum, *Trade Finance*, www.sinotf.com, www.tfsino.com** | Best Cash Management Bank at the 14th Gold Trade Awards |
| **People.cn** | Corporate Social Responsibility Cases |
| **Xinhuanet.com** | Rural Revitalisation Practice Cases |
| ***Securities Times*** | Pegasus Awards for Investor Relations of China's Listed Companies – Shareholder Returns |
| ***China Securities Journal*** | Golden Bull Awards for Wealth Management in the Banking Industry – Wealth Management Sales |
| **League of American Communications Professionals (LACP)** | Annual Report Competition – Platinum Award |
| **Hurun Research Institute** | Ranked 5th in the Most Successful Chinese Heritage Brands |

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# Definitions

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

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| The Bank/the Group | Bank of China Limited or its predecessors and, except where the context otherwise requires, all of the subsidiaries of Bank of China Limited |
| A Share | Domestic investment share(s) in the ordinary share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the SSE (Stock Code: 601988) |
| H Share | Overseas-listed foreign investment share(s) in the ordinary share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 3988) |
| MOF | Ministry of Finance, PRC |
| NFRA | National Financial Regulatory Administration and its predecessors |
| CSRC | China Securities Regulatory Commission |
| SSE | The Shanghai Stock Exchange |
| HKEX | Hong Kong Exchanges and Clearing Limited |
| Hong Kong Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Huijin | Central Huijin Investment Ltd. |
| BOCHK | Bank of China (Hong Kong) Limited, an authorised financial institution incorporated under the laws of Hong Kong SAR and a wholly-owned subsidiary of BOCHK (Holdings) |
| BOCHK (Holdings) | BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong SAR, the ordinary shares of which are listed on the Hong Kong Stock Exchange |
| BOC Insurance | Bank of China Insurance Company Limited |

| | |
|---|---|
| BOC Fullerton Community Bank | BOC Fullerton Community Bank Co., Ltd. |
| BOCI | BOC International Holdings Limited |
| BOC Aviation | BOC Aviation Limited, a public company limited by shares incorporated in Singapore under the Singapore Companies Act, the shares of which are listed on the Hong Kong Stock Exchange |
| BOCIM | Bank of China Investment Management Co., Ltd. |
| BOCG Insurance | Bank of China Group Insurance Company Limited |
| BOCG Investment | Bank of China Group Investment Limited |
| BOC Financial Technology | BOC Financial Technology Co., Ltd. |
| BOCL | BOC Financial Leasing Co., Ltd. |
| BOC Wealth Management | BOC Wealth Management Co., Ltd. |
| BOC Life | BOC Group Life Assurance Co., Ltd. |
| BOC-Samsung Life | BOC-Samsung Life Ins. Co., Ltd. |
| BOC Consumer Finance | BOC Consumer Finance Co., Ltd. |
| BOC Asset Investment | BOC Financial Asset Investment Co., Ltd. |
| BOCI China | BOC International (China) Co., Ltd., a company incorporated in the Chinese mainland, the ordinary shares of which are listed on the SSE |
| Company Law | The *Company Law of PRC* |
| CAS | Chinese Accounting Standards for Business Enterprises |
| Hong Kong Listing Rules | The *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* |
| SFO | *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong SAR) |

| | |
|---|---|
| Articles of Association | The performing *Articles of Association of Bank of China Limited* |
| Chinese mainland | The Chinese mainland, for the purpose of this report, refers to the PRC excluding the Hong Kong SAR, the Macao SAR and Taiwan. |
| Northeastern China | The area including, for the purpose of this report, the branches of Heilongjiang, Jilin, Liaoning and Dalian |
| Western China | The area including, for the purpose of this report, the branches of Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Ningxia, Qinghai, Tibet and Xinjiang |
| Northern China | The area including, for the purpose of this report, the branches of Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia and the Head Office |
| Eastern China | The area including, for the purpose of this report, the branches of Shanghai, Jiangsu, Suzhou, Zhejiang, Ningbo, Anhui, Fujian, Jiangxi, Shandong and Qingdao |
| Central and Southern China | The area including, for the purpose of this report, the branches of Henan, Hubei, Hunan, Guangdong, Shenzhen, Guangxi and Hainan |
| Independent Director | Independent director under the listing rules of the SSE and the Articles of Association, and independent non-executive director under the Hong Kong Listing Rules |
| Basis Point (Bp, Bps) | Measurement unit of changes in interest rate or exchange rate. 1 basis point is equivalent to 0.01 percentage points |
| RMB | Renminbi, the lawful currency of PRC |
| IFRS Accounting Standards | International Financial Reporting Standards as issued by the IASB |
| PBOC | The People's Bank of China |
| PRC | The People's Republic of China |
| SAFE | State Administration of Foreign Exchange, PRC |

# Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management members of the Bank warrant that the information in this report is authentic, accurate and complete, contains no false record, misleading statement or material omission, and jointly and severally accept full responsibility for the information in this report.

The 2024 Annual Report and Annual Results Announcement of the Bank have been approved by the Board of Directors of the Bank on 26 March 2025. The number of directors who should attend the meeting is 14, with 14 directors attending the meeting in person. All of the 14 directors of the Bank exercised their voting rights at the meeting. The supervisors and senior management members of the Bank attended the meeting as non-voting attendees.

The 2024 financial statements prepared by the Bank in accordance with CAS and IFRS Accounting Standards have been audited by Ernst & Young Hua Ming LLP and Ernst & Young in accordance with Chinese and international auditing standards respectively. Both auditors issued an unqualified opinion.

Legal Representative and Chairman GE Haijiao, President ZHANG Hui, who is also responsible for the Bank's finance and accounting, and General Manager of the Financial Management Department DONG Zonglin, warrant the authenticity, accuracy and completeness of the financial statements in this report.

The Board of Directors has recommended a final dividend on ordinary shares for 2024 of RMB1.216 per 10 shares (before tax), subject to approval by the shareholders' meeting of the Bank. No capitalisation of the capital reserve to share capital is proposed in this profit distribution. Including the interim cash dividends of RMB1.208 per 10 shares (before tax) already paid for the first half of 2024, the annual cash dividend for 2024 will be RMB2.424 per 10 shares (before tax).

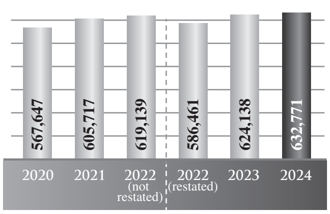
During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes and no material guarantee business that has violated the applicable regulations and procedures.

This report may contain forward-looking statements that involve risks and future plans. These forward-looking statements are based on the Bank's own information and information from other sources that the Bank believes to be reliable. They relate to future events or the Bank's future financial, business or other performance and are subject to a number of factors and uncertainties that may cause the actual results to differ materially. Any future plans mentioned do not constitute a substantive commitment by the Bank to its investors. Investors and people concerned should be fully aware of the risks and understand the differences between plans, forecast and commitment.

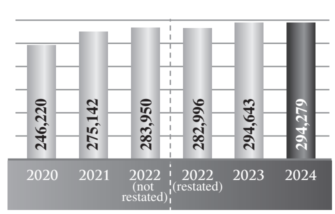
The Bank is faced with risks arising from changes in the macroeconomic environment and from political and economic conditions in different countries and regions as well as risks arising from its day-to-day operations, including the risk arising from changes in the credit status of borrowers, adverse changes in market prices and operational risk. It shall at the same time meet regulatory and compliance requirements. The Bank actively adopts adequate measures to effectively manage all types of risks. Please refer to the section "Management Discussion and Analysis – Risk Management" for details.

# Financial Highlights

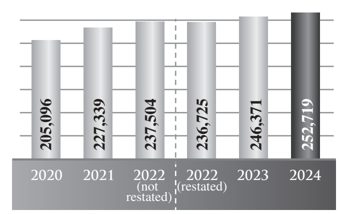
**Operating income**
RMB Million



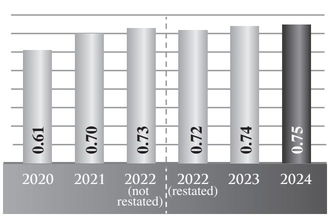

**Operating profit**
RMB Million



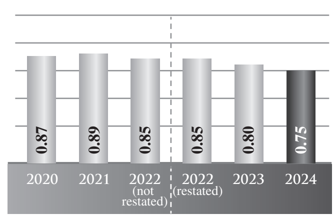

**Profit for the year**
RMB Million



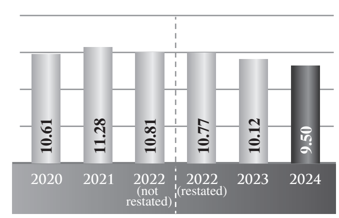

**EPS (basic)**
RMB



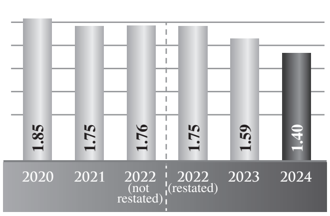

**ROA**
%



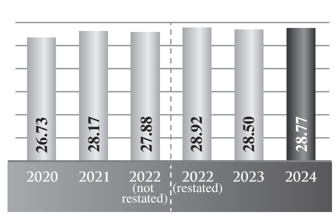

**ROE**
%



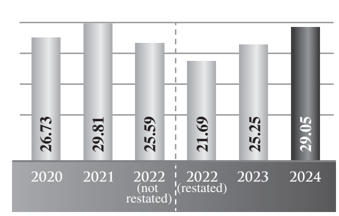

**Net interest margin**
%



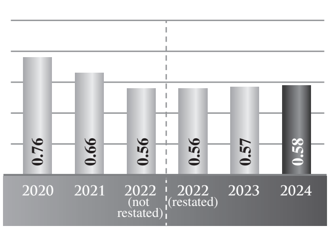

**Cost to income ratio (calculated under regulations in the Chinese mainland)**
%



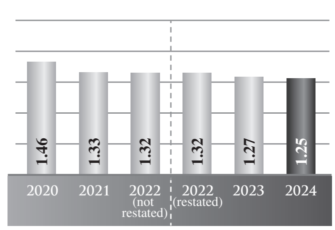

**Non-interest income to operating income**
%



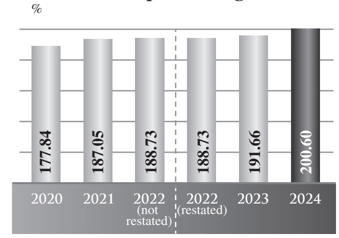

**Credit cost**
%




**Non-performing loans to total loans**
%




**Allowance for loan impairment losses to non-performing loans**
%



Note: The financial information in this report has been prepared in accordance with IFRS Accounting Standards. The data are presented in RMB and reflect amounts related to the Group, unless otherwise noted.

Unit: RMB million

| | Note | 2024 | 2023 | 2022 (after restatement) | 2022 (before restatement) | 2021 | 2020 |
|---|---|---|---|---|---|---|---|
| **Results of operations** | 1 | | | | | | |
| Net interest income | | **448,934** | 466,545 | 459,266 | 460,678 | 425,142 | 415,918 |
| Non-interest income | 2 | **183,837** | 157,593 | 127,195 | 158,461 | 180,575 | 151,729 |
| Operating income | | **632,771** | 624,138 | 586,461 | 619,139 | 605,717 | 567,647 |
| Operating expenses | | **(235,770)** | (222,933) | (199,506) | (231,196) | (226,355) | (202,411) |
| Impairment losses on assets | 3 | **(102,722)** | (106,562) | (103,959) | (103,993) | (104,220) | (119,016) |
| Operating profit | | **294,279** | 294,643 | 282,996 | 283,950 | 275,142 | 246,220 |
| Profit before income tax | | **294,954** | 295,608 | 283,641 | 284,595 | 276,620 | 246,378 |
| Profit for the year | | **252,719** | 246,371 | 236,725 | 237,504 | 227,339 | 205,096 |
| Profit attributable to equity holders of the Bank | | **237,841** | 231,904 | 226,522 | 227,439 | 216,559 | 192,870 |
| Total dividends of ordinary shares | 4 | **71,360** | 69,593 | 68,298 | 68,298 | 65,060 | 57,994 |
| **Financial position** | | | | | | | |
| Total assets | | **35,061,299** | 32,432,166 | 28,893,548 | 28,913,857 | 26,722,408 | 24,402,659 |
| Loans and advances to customers, gross | | **21,594,068** | 19,961,779 | 17,552,761 | 17,554,322 | 15,712,574 | 14,216,477 |
| Allowance for loan impairment losses | 5 | **(539,177)** | (485,298) | (437,241) | (437,241) | (390,541) | (368,619) |
| Financial investments | 6 | **8,360,277** | 7,158,717 | 6,435,244 | 6,445,743 | 6,164,671 | 5,591,117 |
| Total liabilities | | **32,108,335** | 29,675,351 | 26,330,247 | 26,346,286 | 24,371,855 | 22,239,822 |
| Due to customers | | **24,202,588** | 22,907,050 | 20,201,825 | 20,201,825 | 18,142,887 | 16,879,171 |
| Capital and reserves attributable to equity holders of the Bank | | **2,816,231** | 2,629,510 | 2,423,973 | 2,427,589 | 2,225,153 | 2,038,419 |
| Share capital | | **294,388** | 294,388 | 294,388 | 294,388 | 294,388 | 294,388 |
| **Per share** | | | | | | | |
| Basic earnings per share (RMB) | | **0.75** | 0.74 | 0.72 | 0.73 | 0.70 | 0.61 |
| Dividend per share (before tax, RMB) | 7 | **0.2424** | 0.2364 | 0.232 | 0.232 | 0.221 | 0.197 |
| Net assets per share (RMB) | 8 | **8.18** | 7.58 | 6.98 | 6.99 | 6.47 | 5.98 |
| **Key financial ratios** | | | | | | | |
| Return on average total assets (%) | 9 | **0.75** | 0.80 | 0.85 | 0.85 | 0.89 | 0.87 |
| Return on average equity (%) | 10 | **9.50** | 10.12 | 10.77 | 10.81 | 11.28 | 10.61 |
| Net interest margin (%) | 11 | **1.40** | 1.59 | 1.75 | 1.76 | 1.75 | 1.85 |
| Non-interest income to operating income (%) | 12 | **29.05** | 25.25 | 21.69 | 25.59 | 29.81 | 26.73 |
| Cost to income ratio (calculated under regulations in the Chinese mainland, %) | 13 | **28.77** | 28.50 | 28.92 | 27.88 | 28.17 | 26.73 |
| **Capital ratios** | 14 | | | | | | |
| Net common equity tier 1 capital | | **2,344,261** | 2,161,825 | 1,991,342 | 1,991,342 | 1,843,886 | 1,704,778 |
| Net additional tier 1 capital | | **419,025** | 408,447 | 381,648 | 381,648 | 329,845 | 287,843 |
| Net tier 2 capital | | **842,286** | 727,136 | 573,481 | 573,481 | 525,108 | 458,434 |
| Common equity tier 1 capital adequacy ratio (%) | | **12.20** | 11.63 | 11.84 | 11.84 | 11.30 | 11.28 |
| Tier 1 capital adequacy ratio (%) | | **14.38** | 13.83 | 14.11 | 14.11 | 13.32 | 13.19 |
| Capital adequacy ratio (%) | | **18.76** | 17.74 | 17.52 | 17.52 | 16.53 | 16.22 |
| **Asset quality** | | | | | | | |
| Credit-impaired loans to total loans (%) | 15 | **1.25** | 1.27 | 1.32 | 1.32 | 1.33 | 1.46 |
| Non-performing loans to total loans (%) | 16 | **1.25** | 1.27 | 1.32 | 1.32 | 1.33 | 1.46 |
| Allowance for loan impairment losses to non-performing loans (%) | 17 | **200.60** | 191.66 | 188.73 | 188.73 | 187.05 | 177.84 |
| Credit cost (%) | 18 | **0.58** | 0.57 | 0.56 | 0.56 | 0.66 | 0.76 |
| Allowance for loan impairment losses to total loans (%) | 19 | **2.50** | 2.44 | 2.50 | 2.50 | 2.49 | 2.60 |
| **Exchange rate** | | | | | | | |
| USD/RMB year-end central parity rate | | **7.1884** | 7.0827 | 6.9646 | 6.9646 | 6.3757 | 6.5249 |
| EUR/RMB year-end central parity rate | | **7.5257** | 7.8592 | 7.4229 | 7.4229 | 7.2197 | 8.0250 |
| HKD/RMB year-end central parity rate | | **0.9260** | 0.9062 | 0.8933 | 0.8933 | 0.8176 | 0.8416 |

**Notes:**

1. The Group has adopted International Financial Reporting Standard No. 17 Insurance Contracts ("IFRS 17") as issued by the International Accounting Standards Board ("IASB") with the initial application date of 1 January 2023, which resulted in the restatement of the comparative figures for the previous period starting from 1 January 2022 in accordance with the transitional provisions of IFRS 17. In this report, the figures starting from 1 January 2022 have been restated. There is no restatement for other previous comparative figures.

2. Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on transfers of financial assets + other operating income.

3. Impairment losses on assets = credit impairment losses + impairment losses on other assets.

4. The total dividends of ordinary shares include interim dividends and final dividends. The 2024 final dividend is subject to approval by the shareholders' meeting.

5. Allowance for loan impairment losses = allowance for loans at amortised cost + allowance for loans at fair value through other comprehensive income.

6. The financial investments include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

7. Dividend per share is the dividend per ordinary share distributed to ordinary shareholders, including interim dividends and final dividends. The 2024 final dividend is subject to approval by the shareholders' meeting.

8. Net assets per share = (capital and reserves attributable to equity holders of the Bank at year-end – other equity instruments) ÷ number of ordinary shares in issue at year-end.

9. Return on average total assets = profit for the year ÷ average total assets × 100%. Average total assets = (total assets at the beginning of the year + total assets at year-end) ÷ 2.

10. Return on average equity = profit attributable to ordinary shareholders of the Bank ÷ weighted average capital and reserves attributable to ordinary shareholders of the Bank ×100%. Calculation is based on *No. 9 Preparation and Reporting Rules of Information Disclosure of Public Offering Companies – Calculation and Disclosure of Return on Average Equity and Earnings per Share (Revised in 2010)* (CSRC Announcement [2010] No. 2) issued by the CSRC.

11. Net interest margin = net interest income ÷ average balance of interest-earning assets × 100%. Average balance is average daily balance derived from the Group's management accounts (unaudited).

12. Non-interest income to operating income = non-interest income ÷ operating income × 100%.

13. Cost to income ratio is calculated in accordance with the *Measures of the Performance Evaluation of Financial Enterprises* (Cai Jin [2016] No.35) formulated by the MOF.

14. The capital ratios for 2024 are calculated in accordance with the *Capital Rules for Commercial Banks* and related regulations. The capital ratios for 2023 and previous years are calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and related regulations.

15. Credit-impaired loans to total loans = credit-impaired loans at year-end ÷ total loans and advances to customers at year-end ×100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate credit-impaired loans to total loans.

16. Non-performing loans to total loans = non-performing loans at year-end ÷ total loans and advances to customers at year-end ×100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate non-performing loans to total loans.

17. Allowance for loan impairment losses to non-performing loans = allowance for loan impairment losses at year-end ÷ non-performing loans at year-end × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to non-performing loans.

18. Credit cost = impairment losses on loans ÷ average balance of loans and advances to customers × 100%. Average balance of loans and advances to customers = (balance of loans and advances to customers at the beginning of the year + balance of loans and advances to customers at year-end) ÷ 2. Total loans and advances to customers are exclusive of accrued interest when being used to calculate credit cost.

19. Allowance for loan impairment losses to total loans = allowance for loan impairment losses at year-end ÷ total loans and advances to customers at year-end × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to total loans.

# Corporate Information

**Registered Name in Chinese**
中國銀行股份有限公司("中國銀行")

**Registered Name in English**
BANK OF CHINA LIMITED
("Bank of China")

**Legal Representative and Chairman**
GE Haijiao

**Vice Chairman and President**
ZHANG Hui

**Secretary to the Board of Directors and Company Secretary**
ZHUO Chengwen
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**Place of Business in Hong Kong SAR**
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**Selected Newspapers for Information Disclosure (A Share)**
*China Securities Journal, Shanghai Securities News, Securities Times, Economic Information Daily*

**Website of the SSE for Publication of the Annual Report**
www.sse.com.cn

**Website of the HKEX for Publication of the Annual Report**
www.hkexnews.hk

**Place Where Annual Report Can Be Obtained**
Head Office of Bank of China Limited
Shanghai Stock Exchange

**Legal Advisor**
King & Wood Mallesons
Linklaters

**Auditors**

**Domestic Auditor**

Ernst & Young Hua Ming LLP
Office Address:
Level 17, Ernst & Young Tower, Oriental Plaza, No.1 East Changan Avenue, Dongcheng District, Beijing, China
Certified Public Accountants who signed the auditor's report:
Mr. XU Xuming, Ms. ZHANG Fan

**International Auditor**

Ernst & Young
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27/F One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong SAR, China
Certified Public Accountant who signed the auditor's report:
Ms. TSO Pui Sze

**Unified Social Credit Code**

911000001000013428

**Financial Institution Licence Serial Number**

B0003H111000001

**Registered Capital**

RMB294,387,791,241

**Securities Information**

**A Share**

Shanghai Stock Exchange
Stock Name: 中國銀行
Stock Code: 601988

**H Share**

The Stock Exchange of Hong Kong Limited
Stock Name: Bank of China
Stock Code: 3988

**Domestic Preference Share**

Shanghai Stock Exchange
Domestic Preference Share (Third Tranche)
Stock Name: 中行優 3
Stock Code: 360033

Domestic Preference Share (Fourth Tranche)
Stock Name: 中行優 4
Stock Code: 360035

# Message from the Chairman

As we ring out the old year, we ring in the new. In 2024, under the strong leadership of the CPC Central Committee with President Xi Jinping at its core, Bank of China continued pursuing high-quality development as its top priority. Leveraging its global presence and diversified business platforms, and aligning itself with macro policies and the evolving needs of economic transition, the Bank committed to transformation of growth model, structural adjustments, quality enhancement and efficiency improvement, while constantly optimizing its services to make them more inclusive, more convenient, and more accessible. As a result, the Bank continued to achieve steady progress on multiple fronts and took its business to new heights.

As at the end of 2024, the Group's assets and liabilities surpassed RMB35 trillion and RMB32 trillion, respectively, an increase of 8.11% and 8.20% from the prior year-end. Operating income and after-tax profit reached RMB632.8 billion and RMB252.7 billion, up by 1.38% and 2.58%, respectively. Non-performing loan ratio stood at 1.25%, a decrease of 0.02 percentage points. Profit before tax from overseas commercial banking operations as a share of the Group total exceeded 22%. And our competitive position across main business lines strengthened, with major operational indicators remaining stable and balanced. The Board of Directors has proposed the final ordinary share cash dividend of RMB1.216 per 10 ordinary shares (pre-tax). The annual cash dividend for the year 2024 is RMB2.424 per 10 shares (pre-tax), including the interim dividend, representing a payout ratio of 30%.

**We synergized with national development strategies and expanded support for the real economy.** As a large financial institution, we facilitated the transmission and implementation of macro policies, in particular, the stimulus package, and took a combination of measures to prop up sustained economic recovery. In 2024, the Group's total RMB loans and advances grew by RMB1.8 trillion, or 10.84%, from the beginning of the year. Specifically, we supported the wider roll-out of consumer goods trade-in and large-scale equipment renewal initiatives to revive consumption, increasing our balance of non-housing consumer loans by RMB95.825 billion for the former and granting over RMB120.0 billion of new funding for the latter. We carried out targeted assistance programmes to enterprises, expanding our domestic loan balance to the private sector and to the manufacturing sector by 18.72% and 16.60%, respectively. In aid of the healthy and sound development of the capital market, we led the market in financing share buyback schemes of listed companies. And we helped around 6.86 million homeowners re-price their mortgages worth a total of approximately RMB3.2 trillion, and supporting the coordination mechanism for urban real estate project financing, promoting the healthy development of the property market.

**We stayed ahead of the curve and enabled growth of "new quality productive forces".** Targeting the "five priority areas" of financial services, we provided new and tailor-made service models for emerging industries and new growth drivers. We introduced the first-of-its-kind action plan to support the AI industrial chain and built up a financial service ecosystem for the technology sector. We've provided RMB1.91 trillion of credit and in excess of RMB710.0 billion worth of comprehensive financial services to technology companies, covering 70% of China's "unicorns". As an active player in climate change efforts and global green governance, we've remained the market leader in green bond investment and underwriting, and successfully launched a series of industry-first innovative green financial products. We continued to grow inclusive loan business both in terms of volume and coverage, with the outstanding balance and the number of accounts increasing by 29.63% and 39.62%, respectively. In response to an aging population, we expanded our pension finance services, posting double-digit growths in both pension fund under custody and assets under management. In addition, we've also achieved a rating upgrade in IT regulatory assessments and further enhanced our digital financial service system.

**We promoted international cooperation and improved services for higher-standard opening up.** We provided comprehensive solutions featuring "financing + consulting" services to high-quality "Going Global" enterprises, including 278 overseas warehouse enterprises. International settlement processed through our domestic institutions topped USD4 trillion, an increase of over 20% year-on-year, while our cross-border e-commerce settlement volume exceeded RMB800.0 billion, up by 40% year-on-year. We played a key role in the Belt and Road Initiative (BRI), and apart from many of the landmark projects that we've helped bring to fruition, including the Chancay Port in Peru, we've been following, as of the end of 2024, more than 1,200 corporate credit projects in BRI partner countries, to which we've already provided over USD372.0 billion credit support of on a cumulative basis. We've also continued to advance the internationalisation of RMB in a steady and prudent manner. Our cross-border RMB settlement volume in the Chinese mainland grew by over 26% year-on-year; the number of designated overseas RMB clearing banks that we operate has increased to 16, and our cross-border RMB clearing volume by 40%. Additionally, as a vital link for financial cooperation, we continued to support state-level exhibitions including the CIIE, CIFTIS and Canton Fair in inviting businesses and exhibitors, and facilitate payments for foreign visitors in their trips to China, contributing towards building a true global community with a shared future.

**We strengthened financial security and kept to a prudent and balanced approach to development.** Helped by a constantly improving enterprise risk management system and our growing abilities to anticipate, respond to, and mitigate risks, we've effectively navigated volatility in international financial markets and external shocks. The Group's key risk indicators have remained robust. Asset quality is stable, with a stronger focus on non-performing loan resolution; allowance for loan impairment losses and capital adequacy ratio both rose, further strengthening our cushion against risk. And in our systematic approach to manage both the traditional and non-traditional risks, we made further enhancement to our long-term mechanism for compliance assurance, and established a group-wide and unified cybersecurity management framework to bolster our defence capabilities against technology risk and cybersecurity threats.

**And we advanced group-wide governance reform, laying out a solid foundation for building a strong financial institution.** In line with the needs of development and expectations of our clients and employees, we went to great lengths to drive the change needed in key fields, including streamlining the Head Office's organisational structure for higher operational efficiency, accelerating development of overseas regional headquarters, and, in subsidiaries, optimizing the corporate governance mechanism, and fine-tuning authorisation management where necessary, to enhance the Group's overall governance. We've also put in place an internal policy consistency assessment mechanism to ensure coordination across multiple objectives, and pushed ahead with organizational and management reform at branches in provincial capital cities in an orderly manner, with a view to enhance our services and market competitiveness in respective local markets.

As the ancient Chinese wisdom goes—hard work makes success and good faith brings business—our achievements over the last year reflect the industry, tenacity, integrity, and solidarity of our over 300,000 employees, as well as the trust and support of millions of customers and clients. On behalf of the Board of Directors, I extend our sincere gratitude to our shareholders and the wider community and society, and pay my utmost respect to all our employees.

Following an election by the Shareholders' Meeting and the Board of Directors, Mr. ZHANG Hui has been appointed as Vice Chairman, Executive Director, and President of the Bank. With decades of extensive experience in the industry and deep expertise in the operation and risk management of commercial banks, Mr. ZHANG Hui is well-positioned to lead the Senior Management to diligently discharge its duties, push boundaries for growth and innovation, and bring about expansion and innovation, and elevate the Bank's performance to the next level.

As 2025 marks the final year of the 14th Five-Year Plan period, Bank of China will focus on its core businesses and functions, and stay true to its founding mission of promoting the well-being of society and bringing prosperity to the nation. We will strive to effectively implement the decisions and plans of the CPC Central Committee, play a key role in serving the real economy, take the lead in serving the new development pattern featuring a positive interplay between domestic and international economic flows, serve as a cornerstone for financial stability, and take proactive and effective actions in strengthening our Bank as a large state-owned financial institution. We will break new ground in pursuing high-quality development while supporting the building of a strong financial sector in China.

**We will improve services aiming to support growth and expand domestic demand.** Targeting key customer groups and driving consumption and investment, we will launch special initiatives to boost consumer confidence and unlock investment potential. **We will enhance quality and adjust business structures to help foster "new quality productive forces".** Efforts will be directed to tailor our product and service line-up to the needs of new quality productive forces, as well as to innovate business models, optimise asset allocation, and boost efficiency in the "five priority areas" of financial services. **We will reinforce our advantage in global network and seize all opportunities to serve wider and higher-standard opening up.** We will further refine our global development strategy, serve foreign trade and foreign investment, ramp up support for the Belt and Road Initiative, and optimize our systems to provide with financial solutions featuring global expertise accessible at any point of contact as well as the full package of diversified financial services at any point of contact. **We will adapt our mindset and approaches to modernise the Group's governance structure and capabilities.** We will uphold fundamental principles while breaking new ground, establish the new before abolishing the old; adapt to market changes and customer demands; expedite changes in policies, mechanisms, businesses, and operations; and deepen reform resolutely and comprehensively. **We will firmly prevent any systemic risk and constantly enhance enterprise risk management.** We will strengthen forward-looking risk analysis and response, adjust risk control systems and strategies according to the changing environment, and prevent and mitigate risks in key areas. We will also carry out more research for emerging industries and accelerate the upgrade of risk management toolkit.

It's a saying of old that the beginning of a year, when the spring breeze is the most gentle, is the perfect time to set sail. As we now embark on a new journey for 2025, and guided by the vision of a rejuvenated and stronger nation, we will act with enterprise, confidence, and fortitude, take practical and decisive steps on the path of financial development with Chinese characteristics, and create greater value for our customers, our shareholders, and society.

**GE Haijiao**
*Chairman*
26 March 2025

# Message from the President

Time and tide wait for no one. In 2024, as changes unseen in a century unfolded around the world at a faster pace, the global economic growth lacked steam and the monetary policies of major developed economies diverged. China's economy recorded overall stable performance, with steady growth across industries, strong momentum in new quality productive forces and solid progress in high-quality development. Bank of China earnestly implemented the decisions and plans of the CPC Central Committee, remained committed to fulfilling its responsibilities as a large state-owned bank, rose above difficulties and seized opportunities. While serving the high-quality development of the economy and society, the Bank made headway in operation and management, achieving progress while ensuring stability, and delivered steady and balanced results in major operating indicators.

**We resolutely served high-quality development and earnestly implemented China's macro policies.** We supported the development of new quality productive forces in light of local conditions, serving over 100,000 tech enterprises and growing our credit support by 29.67%. We grew our domestic green loan by 31.03%; and have been the largest underwriter of domestic green bonds in China's interbank market as well as the highest-ranking Chinese underwriter of offshore green bonds. We continued to make financing more accessible through better inclusive finance services, with the balance of loans to national and provincial-level "specialised and sophisticated enterprises that produce new and innovative products" exceeding RMB600.0 billion and IPR pledge loans totalling RMB25.7 billion. We opened over 10 million new personal pension accounts, and improved our competitiveness in the pension custody market. We leveraged digital finance to boost business development, reaching 293 million customers registered to our mobile banking service, up by 6.90% from the prior year-end. The volume of e-CNY consumption enabled by the Bank was among the highest in the market.

**We remained committed to our founding mission of serving the people with financial services and worked hard to meet people's aspirations for a better life.** We resolutely implemented the national strategy of rural revitalisation, with the balance of agriculture-related loans increasing by RMB501.1 billion from the prior year-end. Our institutions in key counties receiving assistance grew their loan book by 20.35%. We acted on the country's policy of addressing the challenges of an aging population, and worked to strengthen and expand the personal pension business, where our upgraded one-stop integrated pension solution can cover a series of services including account opening, payments, asset management and more. In collaboration with relevant government departments, we carried out the Bring Jobs to Families campaign for the third year in a row, granting over 177,000 special loans worth over RMB370.0 billion in 2024. We played an active role in public welfare initiatives, including targeted poverty alleviation, student aid and environmental protection. In 2024, we donated approximately RMB144 million to charity in total. We have been engaged in national student loan programme for 25 consecutive years, granting RMB28.504 billion in total and helping over 2 million students complete their education.

**We sharpened our edge in globalised development and served the country's foreign relationships and economic and trade development on all fronts.** We consolidated our distinctive strengths in globalised operations, which remain a core priority of our development strategy. We enhanced our global development capabilities and international competitiveness, further consolidating and expanding our global competitive advantages. We continued to lead domestic peers in terms of cross-border M&A loans, international trade settlement, underwriting of offshore bonds issued by Chinese companies, cross-border custody and overseas syndicated loan business. Our institution in Mauritius was newly designated as the local RMB clearing bank, which further expanded our RMB clearing network. We supported "Going Global" and "Bringing In" initiatives and organised 11 cross-border business matchmaking events in 2024. Moreover, we've made it readily possible for foreign nationals to make payments when they visit China, growing the number of vendors accepting foreign cards by 166.18% from the prior year-end; we also ensured that 100% of key domestic vendors accept foreign cards.

**We balanced development with security, consolidating the foundation for risk compliance management.** We followed the principle of "early identification, early warning, early exposure and early resolution" and worked diligently to enhance risk control and ensure compliance. The Group's asset quality remained stable, with the NPL ratio falling by 0.02 percentage points and the allowance for loan impairment losses to NPLs rising by 8.94 percentage points. With a series of successes in resolution, the quality and efficiency of efforts to address non-performing loans have been steadily improved. We increased our capital adequacy ratio by 1.02 percentage points to 18.76%, further enhancing our capital strength. We implemented a market-by-market strategy for risk prevention in our overseas institutions, effectively tackling various risks. We continued to deepen internal control and case prevention, and constantly improved our long-term compliance mechanism. We also strengthened consumer rights protection and established an operational system for comprehensive consumer protection, which enabled us to address the root cause of customer complaints, enhance service quality, and effectively safeguard the legitimate rights and interests of financial consumers.

**We accelerated digital transformation and boosted the quality and efficiency of technology operations across the Group.** Concentrating on consolidating our foundations, we accelerated the construction of autonomous, secure and efficient financial infrastructure, with our data centre capacity now totalling 62,700 servers. We expedited the application of new technology, with AI and other new technology application scenarios increasing by over 900. In addition, six of the Group's technological outcomes were honoured with the Fintech Development Award from the PBOC. We made headway in data governance, which effectively supported precision marketing, risk prevention and control, and operation management. Our data governance framework has been certified under the ISO9001 Quality Management System standard. We continued to improve outlet efficiency, with 96% of underperforming and inefficient outlets completing transformation.

The greatest truths are the simplest and hard work is the key. In 2025, the Bank's management will focus on the top priority of promoting high-quality development, earnestly implement the decisions and plans of the CPC Central Committee, act diligently, innovatively and responsibly, make practical efforts to accelerate reform, innovation and strategic transformation, resolutely reinforce risk control, ensure compliance and asset security, and work wholeheartedly to serve customers and employees. All these efforts are aimed to elevate the Bank's operations to new heights, fulfil the targets set in the Group's 14th Five-Year Plan, repay the trust and support of our customers, investors and people from all sectors of society with better performance, and make greater contributions to China's goals of building itself into a country with a strong financial sector and advancing national rejuvenation.

**ZHANG Hui**
*President*
26 March 2025

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Economic and Financial Environment

In 2024, the global economy maintained a weak recovery momentum. Aggregate demand growth slowed, while aggregate supply gradually improved, inflationary pressures eased, and global trade volumes increased. Economic performance varied across major economies: US economy remained resilient, Europe experienced a sluggish recovery, Japan's recovery fell short of expectations, while emerging economies were relatively stable.

Monetary policies among major advanced economies diverged significantly. The US Federal Reserve resumed its rate-cutting cycle, the European Central Bank implemented multiple rate cuts, while Japan raised interest rates twice, exiting its negative interest rate policy. Foreign exchange market volatility intensified, with the US dollar index generally appreciating. Cross-border capital flows picked up, though with notable regional differences. US treasury yields bottomed out and rebounded, while Japanese bond yields continued to rise. Global stock markets saw volatile gains, whereas commodity prices mainly trended downward.

China's economy maintained a stable development trajectory, with production expanding, demand recovering, employment and prices remaining stable, industrial development being steady and progressing, new quality productive forces being cultivated and strengthened, and high-quality development continuing to advance. In 2024, China's gross domestic product (GDP) increased by 5.0% year-on-year, total retail sales of consumer goods grew by 3.5% year-on-year, the added value of industrial enterprises above the designated size increased by 5.8% year-on-year, total fixed asset investment (TFAI) (excluding rural households) climbed by 3.2% year-on-year, the total value of goods imports and exports (denominated in RMB) increased by 5.0% year-on-year, with a trade surplus of RMB7.1 trillion, and the consumer price index (CPI) rose by 0.2% year-on-year.

China's prudent monetary policy remained flexible, appropriate, targeted and effective. It strengthened counter-cyclical adjustments, guided reasonable growth and balanced supply of money and credit, ensured social financing costs remained stable with a downward trend, and encouraged more financial resources to flow towards major strategies, key areas and weak links, so as to create a supportive monetary and financial environment for economic recovery. By the end of 2024, the outstanding broad money supply (M2) was RMB313.5 trillion, up by 7.3% year-on-year. Outstanding RMB loans stood at RMB255.7 trillion, up by 7.6% year-on-year. Aggregate financing to the real economy (AFRE) reached RMB408.3 trillion, an increase of 8.0% year-on-year. The Shanghai Stock Exchange Composite Index stood at 3,352, up by 12.7% from the prior year-end. The central parity rate of the RMB against USD was 7.1884, a depreciation of 1.5% compared with the prior year-end.

China's banking sector made strategic plans to implement the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, actively cultivated new quality productive forces and unswervingly promoted high-quality economic development. It improved the quality and efficiency of financial services for strategic emerging industries and high-level science and technology, promoting a virtuous cycle of "science and technology, industry and finance". The banking sector strengthened financial support for the green, low-carbon and circular economy so as to contribute towards the nation's "dual carbon" goals. It accelerated the supply of inclusive credit to small, micro and private enterprises, and constantly improved the inclusive financial service system. It increased support for the silver economy, health and pension industries to better meet the financial needs of the elderly. In addition, it continued to promote digital transformation, enhancing the intelligence of financial services. The banking sector prevented and defused risks in key areas, maintained major risk regulatory indicators within an appropriate range, and ensured sufficient capacity to withstand risks. As at the end of 2024, the total assets of China's banking financial institutions stood at RMB444.6 trillion, an increase of 6.5% from the previous year-end. Total liabilities were RMB408.1 trillion, an increase of 6.5% from the previous year-end. Commercial banks accumulated a net profit for the year of RMB2.3 trillion. Outstanding non-performing loans (NPLs) stood at RMB3.3 trillion as at the end of the year, with an NPL ratio of 1.50%. The provision coverage rate was 211.19%, and the capital adequacy ratio was 15.74%.

## Income Statement Analysis

The Bank continued to improve the quality and efficiency of its service to the real economy and took solid steps to advance its high-quality development. As a result, it steadily enhanced its financial performance. In 2024, the Group achieved a profit for the year of RMB252.719 billion, an increase of RMB6.348 billion or 2.58% compared with the prior year. It realised a profit attributable to equity holders of the Bank of RMB237.841 billion, an increase of RMB5.937 billion or 2.56% compared with the prior year. Return on average total assets (ROA) was 0.75% and return on average equity (ROE) was 9.50%.

The principal components and changes of the Group's consolidated income statement are set out below:

Unit: RMB million, except percentages

| Items | 2024 | 2023 | Change | Change (%) |
|---|---|---|---|---|
| Net interest income | **448,934** | 466,545 | (17,611) | (3.77%) |
| Non-interest income | **183,837** | 157,593 | 26,244 | 16.65% |
| Including: net fee and commission income | **76,590** | 78,865 | (2,275) | (2.88%) |
| Operating income | **632,771** | 624,138 | 8,633 | 1.38% |
| Operating expenses | **(235,770)** | (222,933) | (12,837) | 5.76% |
| Impairment losses on assets | **(102,722)** | (106,562) | 3,840 | (3.60%) |
| Operating profit | **294,279** | 294,643 | (364) | (0.12%) |
| Profit before income tax | **294,954** | 295,608 | (654) | (0.22%) |
| Income tax expense | **(42,235)** | (49,237) | 7,002 | (14.22%) |
| Profit for the year | **252,719** | 246,371 | 6,348 | 2.58% |
| Profit attributable to equity holders of the Bank | **237,841** | 231,904 | 5,937 | 2.56% |

A detailed review of the Group's principal items in each quarter of 2024 is summarised in the following table:

Unit: RMB million

| Items | For the three-month period ended 31 December 2024 | 30 September 2024 | 30 June 2024 | 31 March 2024 |
|---|---|---|---|---|
| Operating income | 153,666 | 161,176 | 156,891 | 161,038 |
| Profit attributable to equity holders of the Bank | 62,078 | 57,162 | 62,612 | 55,989 |
| Net cash inflow/(outflow) from operating activities | 382,827 | 234,585 | (69,686) | 3,240 |

## Net Interest Income and Net Interest Margin

In 2024, the Group achieved net interest income of RMB448.934 billion, a decrease of RMB17.611 billion or 3.77% compared with the prior year. Specifically, interest income stood at RMB1,071.539 billion, an increase of RMB22.688 billion or 2.16% compared with the prior year, and interest expense stood at RMB622.605 billion, an increase of RMB40.299 billion or 6.92% compared with the prior year.

### Interest Income

In 2024, interest income on loans and advances to customers was RMB745.355 billion, a decrease of RMB5.246 billion or 0.70% compared with the prior year, which was primarily attributable to a decline in yield on loans and advances to customers.

Interest income on financial investments amounted to RMB217.128 billion, an increase of RMB24.835 billion or 12.92% compared with the prior year, mainly due to an increase in investment scale.

Interest income on balances with central banks and due from and placements with banks and other financial institutions was RMB109.056 billion, an increase of RMB3.099 billion or 2.92% compared with the prior year, mainly due to growth in balances with central banks and due from and placements with banks and other financial institutions.

### Interest Expense

In 2024, interest expense on due to customers was RMB457.486 billion, an increase of RMB6.635 billion or 1.47% compared with the prior year, principally due to an increase in the scale of customer deposits.

Interest expense on due to and placements from banks and other financial institutions was RMB107.117 billion, an increase of RMB21.439 billion or 25.02% compared with the prior year, which was primarily attributable to an increase in the scale of due to and placements from banks and other financial institutions and increase in the average interest rate.

Interest expense on bonds issued was RMB58.002 billion, an increase of RMB12.225 billion or 26.71% compared with the prior year, which was mainly attributable to an increase in the scale of bonds issued.

## Net Interest Margin

In 2024, the Group's net interest margin was 1.40%, representing a decrease of 19 basis points from the prior year. The average interest rate of the Group's interest-earning assets decreased by 24 basis points. This was mainly due to a reduction in RMB asset yields, driven in part by a decline in the RMB Loan Prime Rate (LPR) and adjustments to mortgage loan rates. The decrease in RMB asset yields was partially offset by an increase in the interest rates of the Group's foreign currency assets. The proportion of the average balance of RMB medium and long-term loans and advances to customers in the Chinese mainland accounted for 74.15% of the Bank's total RMB loans and advances to customers in the Chinese mainland. The average interest rate of the Group's interest-bearing liabilities decreased by 6 basis points, primarily due to the Bank has continuously strengthened the active management of liabilities, adhered to the development strategy of coordinating quantity and price, enhanced the control of deposit costs, and the interest payment rate of RMB liabilities has decreased to some extent.

The average balances[1] and average interest rates of the major interest-earning assets and interest-bearing liabilities of the Group, as well as the impact on interest income/expense of variances in the volume factor and the interest rate factor[2], are summarised in the following table:

Unit: RMB million, except percentages

| | 2024 | | | 2023 | | | Analysis of changes in interest income/expense | | |
|---|---|---|---|---|---|---|---|---|---|
| Items | Average balance | Interest income/ expense | Average interest rate | Average balance | Interest income/ expense | Average interest rate | Volume factor | Interest rate factor | Total |
| **Interest-earning assets** | | | | | | | | | |
| Loans and advances to customers | **20,924,523** | **745,355** | **3.56%** | 18,924,693 | 750,601 | 3.97% | 79,393 | (84,639) | (5,246) |
| Financial investments | **6,823,464** | **217,128** | **3.18%** | 6,083,691 | 192,293 | 3.16% | 23,377 | 1,458 | 24,835 |
| Balances with central banks and due from and placements with banks and other financial institutions | **4,371,073** | **109,056** | **2.49%** | 4,258,069 | 105,957 | 2.49% | 2,814 | 285 | 3,099 |
| **Total** | **32,119,060** | **1,071,539** | **3.34%** | 29,266,453 | 1,048,851 | 3.58% | 105,584 | (82,896) | 22,688 |
| **Interest-bearing liabilities** | | | | | | | | | |
| Due to customers | **23,020,745** | **457,486** | **1.99%** | 21,551,296 | 450,851 | 2.09% | 30,711 | (24,076) | 6,635 |
| Due to and placements from banks and other financial institutions | **4,300,602** | **107,117** | **2.49%** | 3,644,179 | 85,678 | 2.35% | 15,426 | 6,013 | 21,439 |
| Bonds issued | **1,991,152** | **58,002** | **2.91%** | 1,496,091 | 45,777 | 3.06% | 15,149 | (2,924) | 12,225 |
| **Total** | **29,312,499** | **622,605** | **2.12%** | 26,691,566 | 582,306 | 2.18% | 61,286 | (20,987) | 40,299 |
| **Net interest income** | | **448,934** | | | 466,545 | | 44,298 | (61,909) | (17,611) |
| **Net interest margin** | | | **1.40%** | | | 1.59% | | | (19)Bps |

1 Average balances are average daily balances derived from the Group's management accounts (unaudited).

2 The impact on interest income/expense of variances in the volume factor is calculated based on the changes in average balances of interest-earning assets and interest-bearing liabilities during the reporting period. The impact on interest income/expense of variances in the interest rate factor is calculated based on the changes in the average interest rates of interest-earning assets and interest-bearing liabilities during the reporting period. The impact relating to the combined changes in both the volume factor and the interest rate factor has been classified as a change in the interest rate factor.

Notes:

1 Financial investments include debt securities at fair value through other comprehensive income, debt securities at amortised cost, investment trusts and asset management plans, etc.
2 Balances with central banks and due from and placements with banks and other financial institutions include mandatory reserves, surplus reserves, other placements with central banks and due from and placements with banks and other financial institutions.
3 Due to and placements from banks and other financial institutions include due to and placements from banks and other financial institutions, due to central banks and other funds.

The average balances and average interest rates of loans and advances to customers and due to customers in the Chinese mainland, classified by business type, are summarised in the following table:

| | **2024** | | 2023 | | Change | |
|---|---|---|---|---|---|---|
| **Items** | **Average balance** | **Average interest rate** | Average balance | Average interest rate | Average balance | Average interest rate |
| **RMB businesses in the Chinese mainland** | | | Unit: RMB million, except percentages | | | |
| **Loans and advances to customers** | | | | | | |
| Corporate loans and advances | **10,982,008** | **3.14%** | 9,195,316 | 3.48% | 1,786,692 | (34)Bps |
| Personal loans | **5,910,777** | **3.76%** | 5,705,867 | 4.43% | 204,910 | (67)Bps |
| Trade bills | **658,561** | **1.18%** | 589,967 | 1.41% | 68,594 | (23)Bps |
| **Total** | **17,551,346** | **3.28%** | 15,491,150 | 3.75% | 2,060,196 | (47)Bps |
| Including: | | | | | | |
| Medium and long-term loans and advances | **13,013,658** | **3.47%** | 11,484,415 | 4.09% | 1,529,243 | (62)Bps |
| Short-term loans and advances within 1 year and others | **4,537,688** | **2.74%** | 4,006,735 | 2.78% | 530,953 | (4)Bps |
| **Due to customers** | | | | | | |
| Corporate demand deposits | **4,065,055** | **0.72%** | 4,435,053 | 1.06% | (369,998) | (34)Bps |
| Corporate time deposits | **4,303,251** | **2.47%** | 3,462,415 | 2.60% | 840,836 | (13)Bps |
| Personal demand deposits | **3,004,793** | **0.17%** | 2,807,327 | 0.23% | 197,466 | (6)Bps |
| Personal time deposits | **5,990,076** | **2.40%** | 5,300,099 | 2.68% | 689,977 | (28)Bps |
| Other | **687,740** | **2.35%** | 698,105 | 2.88% | (10,365) | (53)Bps |
| **Total** | **18,050,915** | **1.67%** | 16,702,999 | 1.83% | 1,347,916 | (16)Bps |
| **Foreign currency businesses in the Chinese mainland** | | | Unit: USD million, except percentages | | | |
| **Loans and advances to customers** | **45,808** | **4.82%** | 50,364 | 4.42% | (4,556) | 40Bps |
| **Due to customers** | | | | | | |
| Corporate demand deposits | **52,515** | **2.34%** | 54,006 | 1.90% | (1,491) | 44Bps |
| Corporate time deposits | **31,307** | **3.62%** | 48,277 | 4.27% | (16,970) | (65)Bps |
| Personal demand deposits | **21,742** | **0.02%** | 23,276 | 0.02% | (1,534) | Remain Unchanged |
| Personal time deposits | **19,747** | **1.94%** | 18,647 | 1.71% | 1,100 | 23Bps |
| Other | **1,454** | **2.20%** | 1,818 | 2.04% | (364) | 16Bps |
| **Total** | **126,765** | **2.20%** | 146,024 | 2.36% | (19,259) | (16)Bps |

Note: "Due to customers – Other" includes structured deposits.

## Non-interest Income

In 2024, the Group reported non-interest income of RMB183.837 billion, an increase of RMB26.244 billion or 16.65% compared with the prior year. Non-interest income represented 29.05% of operating income.

### Net Fee and Commission Income

The Group earned net fee and commission income of RMB76.590 billion, a decrease of RMB2.275 billion or 2.88% compared with the prior year. This was mainly affected by market environment, resulting in a decrease in revenues from fiduciary service, credit commitment fees, agency commissions, etc.

Changes in net fee and commission income are set out below:

Unit: RMB million, except percentages

| Items | 2024 | 2023 | Change | Change (%) |
|---|---|---|---|---|
| **Group** | | | | |
| Agency commissions | **20,661** | 21,134 | (473) | (2.24%) |
| Bank card fees | **13,124** | 13,585 | (461) | (3.39%) |
| Settlement and clearing fees | **16,812** | 16,672 | 140 | 0.84% |
| Credit commitment fees | **10,191** | 11,412 | (1,221) | (10.70%) |
| Consultancy and advisory fees | **8,370** | 8,051 | 319 | 3.96% |
| Spread income from foreign exchange business | **5,800** | 5,751 | 49 | 0.85% |
| Custodian and other fiduciary service fees | **6,397** | 8,581 | (2,184) | (25.45%) |
| Other | **7,232** | 7,183 | 49 | 0.68% |
| **Fee and commission income** | **88,587** | 92,369 | (3,782) | (4.09%) |
| **Fee and commission expense** | **(11,997)** | (13,504) | 1,507 | (11.16%) |
| **Net fee and commission income** | **76,590** | 78,865 | (2,275) | (2.88%) |
| **Chinese mainland** | | | | |
| Agency commissions | **15,931** | 17,834 | (1,903) | (10.67%) |
| Bank card fees | **10,069** | 10,652 | (583) | (5.47%) |
| Settlement and clearing fees | **14,962** | 14,850 | 112 | 0.75% |
| Credit commitment fees | **3,835** | 4,982 | (1,147) | (23.02%) |
| Consultancy and advisory fees | **7,392** | 6,920 | 472 | 6.82% |
| Spread income from foreign exchange business | **5,457** | 5,310 | 147 | 2.77% |
| Custodian and other fiduciary service fees | **5,529** | 7,841 | (2,312) | (29.49%) |
| Other | **4,631** | 4,254 | 377 | 8.86% |
| **Fee and commission income** | **67,806** | 72,643 | (4,837) | (6.66%) |
| **Fee and commission expense** | **(7,940)** | (9,791) | 1,851 | (18.91%) |
| **Net fee and commission income** | **59,866** | 62,852 | (2,986) | (4.75%) |

### Other Non-interest Income

The Group realised other non-interest income of RMB107.247 billion, an increase of RMB28.519 billion or 36.22% compared with the prior year. The Bank took the initiative to seize market opportunities, recording robust growth in net gains on transfers of financial assets and net trading gains. Please refer to Notes V.3, 4, 5 to the Consolidated Financial Statements for detailed information.

Unit: RMB million, except percentages

| Items | 2024 | 2023 | Change | Change (%) |
|---|---|---|---|---|
| Net trading gains | **36,491** | 28,723 | 7,768 | 27.04% |
| Net gains on transfers of financial assets | **11,399** | 806 | 10,593 | 1,314.27% |
| Other operating income | **59,357** | 49,199 | 10,158 | 20.65% |
| **Total** | **107,247** | 78,728 | 28,519 | 36.22% |

## Operating Expenses

The Bank continued to operate its business in a prudent manner. It continually optimised its cost structure, enhanced refined management and increased output efficiency. In 2024, the Group recorded operating expenses of RMB235.770 billion, an increase of RMB12.837 billion or 5.76% compared with the prior year. Of which, it recorded operating and administrative expenses (including staff costs, general operating and administrative expenses and depreciation and amortisation) of RMB181.262 billion, an increase of RMB3.759 billion or 2.12%. The Group's cost to income ratio (calculated in accordance with regulations in the Chinese mainland) was 28.77%, an increase of 0.27 percentage points compared with the prior year, remain at a relatively low level. Please refer to Notes V.6, 7 to the Consolidated Financial Statements for detailed information.

Unit: RMB million, except percentages

| Items | 2024 | 2023 | Change | Change (%) |
|---|---|---|---|---|
| Staff costs | **113,424** | 107,872 | 5,552 | 5.15% |
| General operating and administrative expenses | **44,237** | 44,778 | (541) | (1.21%) |
| Depreciation and amortisation | **23,601** | 24,853 | (1,252) | (5.04%) |
| Cost of sales of precious metal products | **19,739** | 13,939 | 5,800 | 41.61% |
| Insurance service expenses | **11,015** | 9,020 | 1,995 | 22.12% |
| Insurance finance expenses | **7,078** | 6,994 | 84 | 1.20% |
| Taxes and surcharges | **6,210** | 6,098 | 112 | 1.84% |
| Other | **10,466** | 9,379 | 1,087 | 11.59% |
| **Total** | **235,770** | 222,933 | 12,837 | 5.76% |

### Impairment Losses on Assets

The Bank consistently maintained a proactive and forward-looking approach to risk management, ensuring relatively stable credit asset quality. At the same time, it rigorously implemented a prudent and solid risk provisioning policy to maintain adequate risk resistance capability. In 2024, the Group's impairment losses on assets totalled RMB102.722 billion, a decrease of RMB3.840 billion or 3.60% compared with the prior year. The Group's impairment losses on loans totalled RMB120.861 billion, an increase of RMB14.747 billion or 13.90% compared with the prior year. Please refer to the section "Risk Management – Credit Risk Management" and Notes V.9, 17 and VI.2 to the Consolidated Financial Statements for more information on loan quality and allowance for loan impairment losses.

### Income Tax Expense

In 2024, the Group incurred income tax of RMB42.235 billion, a decrease of RMB7.002 billion or 14.22% compared with the prior year. The Group's effective tax rate was 14.32%. Please refer to Note V.10 to the Consolidated Financial Statements for the reconciliation of statutory income tax expense to effective income tax expense.

## Financial Position Analysis

The Bank supported high-quality development, remained committed to the nation's new development philosophy, dynamically adjusted its business strategies and continually improved its business structure, thus achieving steady growth in assets and liabilities. As at the end of 2024, the Group's total assets amounted to RMB35,061.299 billion, an increase of RMB2,629.133 billion or 8.11% compared with the prior year-end. The Group's total liabilities amounted to RMB32,108.335 billion, an increase of RMB2,432.984 billion or 8.20% compared with the prior year-end.

The principal components of the Group's consolidated statement of financial position are set out below:

Unit: RMB million, except percentages

| Items | As at 31 December 2024 | | As at 31 December 2023 | |
|---|---|---|---|---|
| | **Amount** | **% of total** | Amount | % of total |
| **Assets** | | | | |
| Loans and advances to customers, net | **21,055,282** | **60.05%** | 19,476,871 | 60.05% |
| Financial investments | **8,360,277** | **23.84%** | 7,158,717 | 22.07% |
| Balances with central banks | **2,467,857** | **7.04%** | 2,941,140 | 9.07% |
| Due from and placements with banks and other financial institutions | **1,955,363** | **5.58%** | 1,735,172 | 5.35% |
| Other assets | **1,222,520** | **3.49%** | 1,120,266 | 3.46% |
| **Total assets** | **35,061,299** | **100.00%** | 32,432,166 | 100.00% |
| **Liabilities** | | | | |
| Due to customers | **24,202,588** | **75.38%** | 22,907,050 | 77.19% |
| Due to and placements from banks and other financial institutions and due to central banks | **4,652,969** | **14.49%** | 3,955,659 | 13.33% |
| Other borrowed funds | **2,099,510** | **6.54%** | 1,838,622 | 6.20% |
| Other liabilities | **1,153,268** | **3.59%** | 974,020 | 3.28% |
| **Total liabilities** | **32,108,335** | **100.00%** | 29,675,351 | 100.00% |

Note: "Other borrowed funds" includes bonds issued and other borrowings.

## Loans and Advances to Customers

The Bank earnestly fulfilled its responsibilities as a large state-owned bank by focusing on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, as well as increasing its support for national key strategies, key areas and weak links in the real economy. As a result, it achieved stable and balanced growth in lending scale. As at the end of 2024, the Group's loans and advances to customers amounted to RMB21,594.068 billion, an increase of RMB1,632.289 billion or 8.18% compared with the prior year-end. Specifically, the Group's RMB loans and advances totalled RMB18,514.520 billion, an increase of RMB1,810.860 billion or 10.84% compared with the prior year-end, while its foreign currency loans and advances amounted to USD428.405 billion, a decrease of USD31.606 billion or 6.87% compared with the prior year-end. Please refer to Note V.17 to the Consolidated Financial Statements for detailed information.

The Bank closely tracked changes in the macroeconomic situation, continuously optimised its credit structure, strengthened risk identification and management in key areas and made greater efforts in the disposal of non-performing assets, thus maintaining generally stable asset quality. As at the end of 2024, the balance of the Group's allowance for loan impairment losses amounted to RMB539.177 billion, an increase of RMB53.879 billion compared with the prior year-end. The balance of the Group's restructured NPLs amounted to RMB98.749 billion, an increase of RMB39.781 billion compared with the prior year-end, while the proportion of restructured NPLs within gross loans and advances to customers (excluding accrued interest) was 0.46%, up by 0.16 percentage points.

### Loans and Advances to Customers by Geography

Unit: RMB million, except percentages

| Items | As at 31 December 2024 Amount | % of total | As at 31 December 2023 Amount | % of total | As at 31 December 2022 Amount | % of total |
|---|---|---|---|---|---|---|
| **Corporate loans and advances** | | | | | | |
| Chinese mainland: RMB | **12,219,758** | **56.59%** | 10,655,067 | 53.38% | 8,523,463 | 48.56% |
| Foreign currency | **246,551** | **1.14%** | 353,163 | 1.77% | 295,121 | 1.68% |
| Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | **2,252,240** | **10.43%** | 2,289,792 | 11.47% | 2,280,239 | 12.99% |
| **Subtotal** | **14,718,549** | **68.16%** | 13,298,022 | 66.62% | 11,098,823 | 63.23% |
| **Personal loans** | | | | | | |
| Chinese mainland: RMB | **6,029,919** | **27.93%** | 5,827,122 | 29.19% | 5,681,110 | 32.36% |
| Foreign currency | **1,777** | **0.01%** | 1,532 | 0.01% | 1,089 | 0.01% |
| Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | **793,340** | **3.67%** | 781,311 | 3.91% | 724,771 | 4.13% |
| **Subtotal** | **6,825,036** | **31.61%** | 6,609,965 | 33.11% | 6,406,970 | 36.50% |
| **Accrued interest** | **50,483** | **0.23%** | 53,792 | 0.27% | 46,968 | 0.27% |
| **Total loans and advances to customers** | **21,594,068** | **100.00%** | 19,961,779 | 100.00% | 17,552,761 | 100.00% |

## Financial Investments

The Bank closely tracked financial market dynamics, seized investment opportunities, and dynamically adjusted its portfolio structure. As at the end of 2024, the Group held financial investments of RMB8,360.277 billion, an increase of RMB1,201.560 billion or 16.78% compared with the prior year-end. Specifically, the Group's RMB financial investments totalled RMB6,225.491 billion, an increase of RMB783.714 billion or 14.40% compared with the prior year-end, while foreign currency financial investments totalled USD296.977 billion, an increase of USD54.564 billion or 22.51% compared with the prior year-end.

The classification of the Group's financial investment portfolio is shown below:

Unit: RMB million, except percentages

| Items | As at 31 December 2024 Amount | % of total | As at 31 December 2023 Amount | % of total |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | **600,297** | **7.18%** | 550,421 | 7.69% |
| Financial assets at fair value through other comprehensive income | **4,388,945** | **52.50%** | 3,248,113 | 45.37% |
| Financial assets at amortised cost | **3,371,035** | **40.32%** | 3,360,183 | 46.94% |
| **Total** | **8,360,277** | **100.00%** | 7,158,717 | 100.00% |

### Financial Investments by Issuer Type

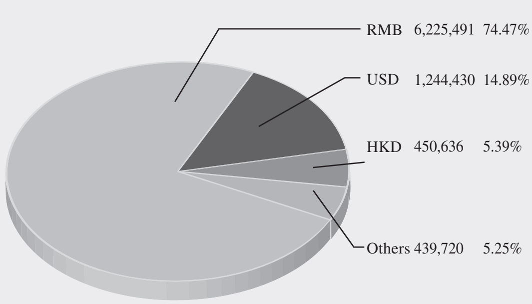
Unit: RMB million, except percentages

| Items | As at 31 December 2024 Amount | As at 31 December 2024 % of total | As at 31 December 2023 Amount | As at 31 December 2023 % of total |
|---|---|---|---|---|
| **Debt securities** | | | | |
| **Issuers in the Chinese mainland** | | | | |
| Government | **4,295,801** | **51.39%** | 3,764,329 | 52.58% |
| Public sector and quasi-governments | **155,572** | **1.86%** | 167,171 | 2.34% |
| Policy banks | **847,708** | **10.14%** | 714,013 | 9.98% |
| Financial institutions | **496,676** | **5.94%** | 396,789 | 5.54% |
| Corporates | **202,891** | **2.43%** | 199,070 | 2.78% |
| China Orient Asset Management Corporation | **152,433** | **1.82%** | 152,433 | 2.13% |
| **Subtotal** | **6,151,081** | **73.58%** | 5,393,805 | 75.35% |
| **Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions** | | | | |
| Governments | **1,121,050** | **13.41%** | 820,426 | 11.46% |
| Public sector and quasi-governments | **297,081** | **3.55%** | 202,019 | 2.82% |
| Financial institutions | **285,766** | **3.42%** | 267,218 | 3.73% |
| Corporates | **139,119** | **1.66%** | 138,133 | 1.93% |
| **Subtotal** | **1,843,016** | **22.04%** | 1,427,796 | 19.94% |
| **Equity instruments and others** | **366,180** | **4.38%** | 337,116 | 4.71% |
| **Total** | **8,360,277** | **100.00%** | 7,158,717 | 100.00% |

Note: "Equity instruments and others" includes accrual interest.

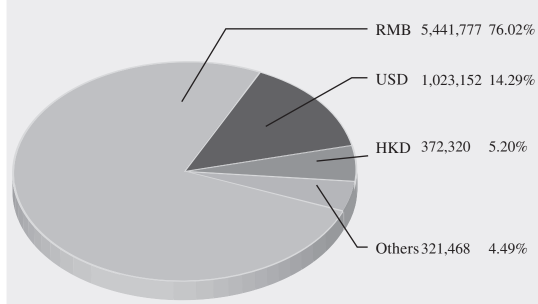
### Financial Investments by Currency

Unit: RMB million, except percentages




As at 31 December 2024

Unit: RMB million, except percentages




As at 31 December 2023

### Top Ten Financial Bonds by Value Held by the Group

Unit: RMB million, except percentages

| Bond Name | Par Value | Annual rate | Maturity date | Impairment Allowance |
|---|---|---|---|---|
| Bond issued by policy banks in 2019 | 21,699 | 3.65% | 2029-05-21 | – |
| Bond issued by policy banks in 2019 | 21,688 | 3.48% | 2029-01-08 | – |
| Bond issued by policy banks in 2023 | 16,778 | 2.87% | 2028-02-06 | – |
| Bond issued by policy banks in 2022 | 15,774 | 2.82% | 2027-06-17 | – |
| Bond issued by policy banks in 2018 | 15,451 | 4.88% | 2028-02-09 | – |
| Bond issued by policy banks in 2019 | 15,231 | 3.74% | 2029-07-12 | – |
| Bond issued by policy banks in 2019 | 13,962 | 3.86% | 2029-05-20 | – |
| Bond issued by policy banks in 2024 | 13,690 | 2.64% | 2031-01-08 | – |
| Bond issued by policy banks in 2022 | 13,317 | 2.50% | 2027-08-24 | – |
| Bond issued by policy banks in 2018 | 12,710 | 4.98% | 2025-01-12 | – |

Note: Financial bonds refer to debt securities issued by financial institutions in the bond market, including bonds issued by policy banks, other banks and non-bank financial institutions, but excluding restructured bonds and PBOC bills.

## Due to Customers

The Bank accelerated product and service innovation, continued to improve the quality and efficiency of financial services offering, and drove the high-quality development of the deposit business. It steadily expanded its deposit sources, and actively promoted key deposit products such as payroll services, social security cards, personal pensions, cash management and quick payment service. It also enhanced the quality of its deposit business by proactively optimising product structure, resulting in a steady decrease in the funding cost of RMB deposits. As at the end of 2024, the Group's due to customers amounted to RMB24,202.588 billion, an increase of RMB1,295.538 billion or 5.66% compared with the prior year-end. Specifically, the Group's RMB due to customers totalled RMB19,334.172 billion, an increase of RMB1,051.702 billion or 5.75% compared with the prior year-end, while its foreign currency due to customers stood at USD677.260 billion, an increase of USD24.320 billion or 3.72% compared with the prior year-end.

The principal components of due to customers of the Group and its institutions in the Chinese mainland are set out below:

Unit: RMB million, except percentages

| Items | As at 31 December 2024 | | As at 31 December 2023 | |
|---|---|---|---|---|
| | **Amount** | **% of total** | Amount | % of total |
| **Group** | | | | |
| **Corporate deposits** | | | | |
| Demand deposits | **5,518,065** | **22.80%** | 5,639,238 | 24.62% |
| Time deposits | **5,955,203** | **24.61%** | 5,592,463 | 24.41% |
| Structured deposits | **284,886** | **1.18%** | 298,621 | 1.30% |
| **Subtotal** | **11,758,154** | **48.59%** | 11,530,322 | 50.33% |
| **Personal deposits** | | | | |
| Demand deposits | **4,163,121** | **17.20%** | 3,782,330 | 16.51% |
| Time deposits | **7,318,692** | **30.24%** | 6,662,417 | 29.09% |
| Structured deposits | **189,584** | **0.78%** | 235,724 | 1.03% |
| **Subtotal** | **11,671,397** | **48.22%** | 10,680,471 | 46.63% |
| **Certificates of deposits** | **324,563** | **1.34%** | 310,212 | 1.35% |
| **Others** | **448,474** | **1.85%** | 386,045 | 1.69% |
| **Total** | **24,202,588** | **100.00%** | 22,907,050 | 100.00% |
| **Chinese mainland** | | | | |
| **Corporate deposits** | | | | |
| Demand deposits | **4,697,363** | **23.52%** | 4,848,957 | 25.56% |
| Time deposits | **4,460,242** | **22.33%** | 4,274,946 | 22.53% |
| Structured deposits | **269,867** | **1.35%** | 273,167 | 1.44% |
| **Subtotal** | **9,427,472** | **47.20%** | 9,397,070 | 49.53% |
| **Personal deposits** | | | | |
| Demand deposits | **3,527,461** | **17.66%** | 3,203,911 | 16.89% |
| Time deposits | **6,445,918** | **32.27%** | 5,813,425 | 30.64% |
| Structured deposits | **157,924** | **0.80%** | 210,940 | 1.11% |
| **Subtotal** | **10,131,303** | **50.73%** | 9,228,276 | 48.64% |
| **Others** | **413,271** | **2.07%** | 348,871 | 1.83% |
| **Total** | **19,972,046** | **100.00%** | 18,974,217 | 100.00% |

Note: "Others" is inclusive of accrued interest.

## Due to Customers by Geography

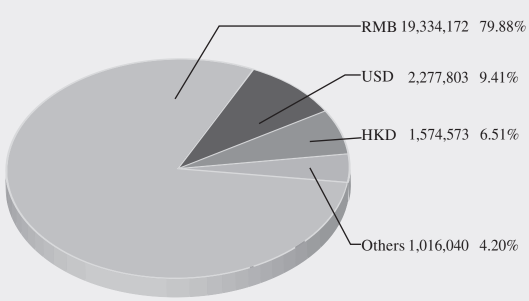
Unit: RMB million, except percentages

| Items | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 December 2022 | |
|---|---|---|---|---|---|---|
| | **Amount** | **% of total** | Amount | % of total | Amount | % of total |
| **Corporate deposits** | | | | | | |
| Chinese mainland: RMB | **8,862,649** | **36.63%** | 8,734,967 | 38.13% | 7,532,878 | 37.29% |
| Foreign currency | **564,823** | **2.33%** | 662,103 | 2.89% | 628,443 | 3.11% |
| Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | **2,330,682** | **9.63%** | 2,133,252 | 9.31% | 1,999,666 | 9.90% |
| **Subtotal** | **11,758,154** | **48.59%** | 11,530,322 | 50.33% | 10,160,987 | 50.30% |
| **Personal deposits** | | | | | | |
| Chinese mainland: RMB | **9,810,514** | **40.53%** | 8,926,078 | 38.97% | 7,752,565 | 38.38% |
| Foreign currency | **320,789** | **1.33%** | 302,198 | 1.32% | 305,619 | 1.51% |
| Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | **1,540,094** | **6.36%** | 1,452,195 | 6.34% | 1,338,512 | 6.62% |
| **Subtotal** | **11,671,397** | **48.22%** | 10,680,471 | 46.63% | 9,396,696 | 46.51% |
| **Certificates of deposits** | **324,563** | **1.34%** | 310,212 | 1.35% | 290,082 | 1.44% |
| **Others** | **448,474** | **1.85%** | 386,045 | 1.69% | 354,060 | 1.75% |
| **Total deposits** | **24,202,588** | **100.00%** | 22,907,050 | 100.00% | 20,201,825 | 100.00% |

Note: "Others" includes accrued interest.

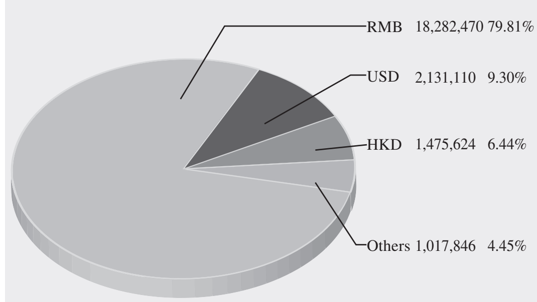
## Due to Customers by Currency

Unit: RMB million, except percentages




As at 31 December 2024

Unit: RMB million, except percentages




As at 31 December 2023

## Liability Quality Management

The Bank continually strengthened its liability quality management, actively optimised its liability structure, and achieved steady development of the Group's liability business. The Bank earnestly implemented regulatory requirements on liability quality management. According to its business strategy, risk appetite, and overall business characteristics, the Bank effectively managed the sources, structure, and cost of liabilities to fit the development of its own liability business, with relevant indicators meeting internal and external management requirements. By enhancing the expansion of customer deposits, strengthening internal and external pricing management, improving market financing capabilities, appropriately managing the degree of mismatch in terms and currencies of liability business, the Bank continuously improved its liability quality management capability.

## Equity

As at the end of 2024, the Group's total equity stood at RMB2,952.964 billion, an increase of RMB196.149 billion or 7.12% compared with the prior year-end. This was primarily attributable to the following factors: (1) In 2024, the Group realised a profit for the year of RMB252.719 billion, among which profit attributable to equity holders of the Bank amounted to RMB237.841 billion. (2) The Bank pushed forward its external capital replenishment projects in a prudent manner and managed existing capital effectively, successfully issuing RMB50.0 billion of undated capital bonds and redeemed RMB40.0 billion of undated capital bonds. (3) As per the 2023 profit distribution plan approved at the Annual General Meeting, along with the interim dividend for 2024 that has already been distributed, a cash dividend of RMB105.155 billion was paid out on ordinary shares. (4) The Bank paid a dividend on its preference shares of RMB5.181 billion and interest on undated capital bonds of RMB11.039 billion. Please refer to the "Consolidated Statement of Changes in Equity" in the Consolidated Financial Statements for detailed information.

## Off-balance Sheet Items

Off-balance sheet items include agency investment and financing services, intermediary services, derivatives, and contingent liabilities and commitments, etc. Agency investment and financing services mainly include asset management products, entrusted loans, agency bond issuance and underwriting. Intermediary services mainly include agency services, asset custody, financial advisory and consulting. Derivatives mainly include foreign currency exchange rates contracts, interest rates contracts, equity contracts, credit contracts, precious metals and other commodity contracts. Please refer to Note V. 16 to the Consolidated Financial Statements for detailed information. Contingent liabilities and commitments include legal proceedings and arbitrations, assets pledged, collateral accepted, credit commitments, capital commitments, operating leases, treasury bond redemption commitments and underwriting obligations, etc. Please refer to Note V. 42 to the Consolidated Financial Statements for detailed information.

In 2024, the Group adhered to the principle of steady development, continued to enrich off-balance sheet products, strengthened the linkage of on-and off-balance sheet products, and fully leveraged on the characteristics of off-balance sheet business such as extensive marketing and service coverage to continuously improve its comprehensive financial services. It strengthened the coordinated management and comprehensive risk management of off-balance sheet businesses, improved relevant policies and procedures, clarified the off-balance sheet business development strategy, and cemented the foundation for off-balance sheet business development.

## Cash Flow Analysis

As at the end of 2024, the balance of the Group's cash and cash equivalents was RMB2,368.929 billion, a decrease of RMB147.796 billion compared with the prior year-end.

In 2024, net cash flow from operating activities was an inflow of RMB550.966 billion, a decrease of RMB265.480 billion. This was mainly attributable to a decrease in net increase in due to customers.

Net cash flow from investing activities was an outflow of RMB805.986 billion, an increase of RMB266.558 billion compared with the prior year. This was mainly attributable to an increase in the purchase of financial investments.

Net cash flow from financing activities was an inflow of RMB111.860 billion, a decrease of RMB8.002 billion compared with the prior year. This was mainly attributable to an increase in cash paid for debt repayment.

## Segment Information

From a geographical perspective, the Group operates in three principal regions: the Chinese mainland; Hong Kong (China), Macao (China) and Taiwan (China), and other countries and regions. From a business perspective, the Group provides financial services through corporate banking, personal banking, treasury operations, investment banking, insurance and other operations.

A geographical analysis of profit contribution and related assets and liabilities is set forth in the following table:

Unit: RMB million

| Items | Chinese mainland | | Hong Kong (China), Macao (China) and Taiwan (China) | | Other countries and regions | | Elimination | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| Net interest income | **374,077** | 393,064 | **49,054** | 48,903 | **24,011** | 22,451 | **1,792** | 2,127 | **448,934** | 466,545 |
| Non-interest income | **119,645** | 101,000 | **63,035** | 55,864 | **5,999** | 7,333 | **(4,842)** | (6,604) | **183,837** | 157,593 |
| Including: net fee and commission income | **59,866** | 62,852 | **12,531** | 13,096 | **5,265** | 5,223 | **(1,072)** | (2,306) | **76,590** | 78,865 |
| Operating expenses | **(185,454)** | (176,593) | **(42,629)** | (40,466) | **(9,729)** | (8,849) | **2,042** | 2,975 | **(235,770)** | (222,933) |
| Impairment losses on assets | **(92,010)** | (88,124) | **(8,992)** | (11,086) | **(1,932)** | (7,352) | **212** | – | **(102,722)** | (106,562) |
| Profit before income tax | **216,712** | 229,858 | **60,686** | 53,669 | **18,352** | 13,583 | **(796)** | (1,502) | **294,954** | 295,608 |
| **As at the year-end** | | | | | | | | | | |
| Assets | **28,610,177** | 26,470,195 | **5,711,254** | 5,228,040 | **2,585,646** | 2,372,795 | **(1,845,778)** | (1,638,864) | **35,061,299** | 32,432,166 |
| Liabilities | **26,227,714** | 24,246,297 | **5,228,267** | 4,777,839 | **2,495,304** | 2,288,051 | **(1,842,950)** | (1,636,836) | **32,108,335** | 29,675,351 |

As at the end of 2024, total assets[3] of the Bank's Chinese mainland segment amounted to RMB28,610.177 billion, an increase of RMB2,139.982 billion or 8.08% compared with the prior year-end, representing 77.52% of the Group's total assets. In 2024, this segment recorded a profit before income tax of RMB216.712 billion, a decrease of RMB13.146 billion or 5.72% compared with the prior year, representing 73.28% of the Group's profit before income tax.

[3] Figures for segment assets, segment profit before income tax and their respective proportions are prior to intragroup elimination.

As at the end of 2024, total assets of the Hong Kong (China), Macao (China) and Taiwan (China) segment amounted to RMB5,711.254 billion, an increase of RMB483.214 billion or 9.24% compared with the prior year-end, representing 15.47% of the Group's total assets. In 2024, this segment recorded a profit before income tax of RMB60.686 billion, an increase of RMB7.017 billion or 13.07% compared with the prior year, representing 20.52% of the Group's profit before income tax.

As at the end of 2024, total assets of the other countries and regions segment amounted to RMB2,585.646 billion, an increase of RMB212.851 billion or 8.97% compared with the prior year-end, representing 7.01% of the Group's total assets. In 2024, this segment recorded a profit before income tax of RMB18.352 billion, an increase of RMB4.769 billion or 35.11% compared with the prior year, representing 6.20% of the Group's profit before income tax.

Operating income for the main business segments of the Group is set forth in the following table:

Unit: RMB million, except percentages

| | **2024** | | 2023 | |
|---|---|---|---|---|
| **Items** | **Amount** | **% of total** | Amount | % of total |
| Commercial banking business | **574,964** | **90.86%** | 577,573 | 92.54% |
| Including: Corporate banking | **238,879** | **37.75%** | 254,758 | 40.82% |
| Personal banking | **258,703** | **40.88%** | 272,236 | 43.62% |
| Treasury operations | **77,382** | **12.23%** | 50,579 | 8.10% |
| Investment banking and insurance | **31,892** | **5.04%** | 28,236 | 4.52% |
| Others and elimination | **25,915** | **4.10%** | 18,329 | 2.94% |
| **Total** | **632,771** | **100.00%** | 624,138 | 100.00% |

Please refer to Note V.45 to the Consolidated Financial Statements for detailed information related to the Group's other operating results and financial position in terms of its geographic segment and business segment categories.

## Critical Accounting Estimates and Judgements

The accounting estimates and judgements made by the Group will generally affect the carrying amounts of assets and liabilities of the next financial year. These estimates and judgements are continually evaluated and are based on historical experience, expectations of future events that are believed to be reasonable under the circumstances and other factors. Management believes that the accounting estimates and judgements have properly reflected the Bank's operating environment. Please refer to Notes II and III to the Consolidated Financial Statements for detailed information related to the Bank's accounting policies and accounting estimates.

## Fair Value Measurement

### Movement of Financial Instruments Measured at Fair Value

Unit: RMB million

| Items | As at 31 December 2024 | As at 31 December 2023 | Change |
|---|---|---|---|
| Due from and placements with banks and other financial institutions at fair value | **24,518** | 18,126 | 6,392 |
| Financial assets at fair value through profit or loss | | | |
| Debt securities | **371,973** | 336,184 | 35,789 |
| Equity instruments | **124,604** | 112,434 | 12,170 |
| Fund investments and other | **103,720** | 101,803 | 1,917 |
| Loans and advances to customers at fair value | **904,446** | 718,776 | 185,670 |
| Financial assets at fair value through other comprehensive income | | | |
| Debt securities | **4,344,920** | 3,215,983 | 1,128,937 |
| Equity instruments and other | **44,025** | 32,130 | 11,895 |
| Derivative financial assets | **183,177** | 146,750 | 36,427 |
| Derivative financial liabilities | **(153,456)** | (135,973) | (17,483) |
| Due to and placements from banks and other financial institutions at fair value | **(33,140)** | (3,798) | (29,342) |
| Due to customers at fair value | **(45,332)** | (47,657) | 2,325 |
| Bonds issued at fair value | **(1,970)** | (2,118) | 148 |
| Financial liabilities held for trading | **(57,604)** | (54,264) | (3,340) |

The Bank has put in place a sound internal control mechanism for fair value measurement. In accordance with the *Regulatory Guidelines on Valuation of Financial Instruments in Commercial Banks*, *Guidelines on Market Risk Management in Commercial Banks*, CAS and IFRS Accounting Standards, with reference to the Basel Capital Accord, and drawing on the best practices of leading international banks regarding valuations, the Bank formulated the *Valuation Policy of Financial Instrument Fair Values of Bank of China Limited* to standardise the fair value measurement of financial instruments and enable timely and accurate financial information disclosure. Please refer to Note VI.5 to the Consolidated Financial Statements for detailed information related to fair value measurement.

## Other Financial Information

There are no differences in the equity and profit for the year of the Group prepared in accordance with IFRS Accounting Standards to those prepared in accordance with CAS. Please refer to Supplementary Information I to the Consolidated Financial Statements for detailed information.

## Special Feature I: Advancing the Solid Implementation of the Five Major Tasks

In 2024, the Bank earnestly implemented national decisions and plans. It also took necessary steps to deepen supply-side structural reform in the financial sector, and stepped up financial support for major strategies, key areas and weak links. The Bank implemented the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. It promoted the implementation of the "14th Five-Year" Plan while helping the high-quality development of the real economy, and achieved sound execution of its strategy.

### Technology Finance

The Bank placed great importance on providing financial support for the nation's self-reliance and self-improvement in science and technology. It actively promoted high-level planning, high-standard services and high-quality development in technology finance, giving full play to finance's potential to promote the in-depth integration of technology and industry, accelerate the transformation of technological achievements, and drive industrial upgrading through technology. As at the end of 2024, the Bank provided RMB1.91 trillion of credit support to 102,900 technological enterprises, alongside other comprehensive financial services exceeding RMB710.0 billion in value during the "14th Five-Year" Plan period.

✧ **Constructing a full-tier organisational structure for technology finance.** The Bank set up the Technology Finance Service Centre of the Head Office and 24 technology finance centres at tier-1 branches, and built specialised featured outlets for technology finance in regional technology clusters, established a "Head Office-Branch-Sub-branch" multi-level organization chart for technology finance to quickly respond to market demands.

✧ **Improving the service quality of full-chain technology finance.** The Bank systematically analysed the characteristics and financial needs of each stage of technology innovation, further optimised its product and service system to supports the full-chain and full life-cycle of technological innovation. It focused on enhancing the integration, synergy and precision of its technology finance products and services to promote the high-quality development of its technology finance business. It upgraded exclusive credit services to meet the needs of technological enterprises, optimised the credit granting model of the "Innovation Points Loan" and actively engaged with national technology projects. Leveraging the Group's globalised advantages, the Bank supported the overseas expansion of technological enterprises, focused on solving the pain points of cross-border fund management and provide high-quality cross-border financial services.

✧ **Creating a full-factor technology finance service ecosystem.** The Bank carried out the *Implementation Plan for the BOC Technology Innovation Ecological Partnership Programme* in 11 regions including Beijing, Shanghai and Shenzhen. Through a series of activities, such as building platforms, strengthening synergies, and promoting connection, it got multi-party resources involved and customer marketing in batch, achieving promising results. The Bank deepened the cooperation with government on technology finance, providing all-round high-quality services for scientific research institutions such as national laboratories and scientific research talent. It provided financial assistance to the "Hundred Technology Parks, Hundred Universities, and Ten-Thousand Enterprises" collaborative innovation initiative, hosted more than 10 rounds of financial product promotion shows across various universities, and provided financial support for the technological results application of universities and national university science parks.

✧ **Enhancing the quality and efficiency of comprehensive technology finance services.** The Bank's comprehensive operation companies adopted the development of technology finance services as a key business strategy, increasing financial support for technology investment, technology bonds, technology insurance and technology leasing, etc. The Bank took the lead among large state-owned banks in successfully establishing and promoting the Sci-Tech Innovation Master Fund, injecting patient capital into the primary markets for scientific and technological innovation. It vigorously promoted the equity investment pilot business of AIC (asset investment companies), reached fund cooperation intentions with 18 pilot cities across the country, and have initiated 8 equity investment pilot funds in cities, such as Beijing, Suzhou, Hangzhou, Nanjing, and Xiamen. The Bank continuously increased its bond investment and bond underwriting for technological enterprises to provide financing support for investment in scientific research. It launched innovative insurance products such as property insurance for high-tech enterprises, and provided insurance protection for technology enterprises with various combinations of insurance products. The Bank gave full play to its advantages in financial leasing services and strengthened comprehensive financial services for emerging fields such as artificial intelligence, computing power infrastructure and the low-altitude economy.

## Green Finance

The Bank continued to refine its supporting measures for green finance with the goal of becoming the most preferred green finance services provider, helped advancing green and low-carbon transition in the nation-wide economic and social development. In 2024, the Bank received a number of award related green finance from *Global Finance, Euromoney, The Asset, China Securities Journal* and other domestic and overseas publications.

✧ **Focusing on core businesses and driving rapid growth in green credit.** The Bank eagerly participated in benchmark green projects with global influence and ranked first among Chinese banks in Bloomberg's "Global Green UoP Loans", "Global Sustainability-Linked Loans" and "Global Green Loan Principles Loans" rankings. It served as the mandated lead arranger for the world's largest solar powered reverse osmosis seawater desalination facility project. It successfully granted the first ESG-linked loan benefiting nature. As at the end of 2024, the Bank's domestic green credit balance (calculated based on the statistical standards for "green credit" by National Financial Regulatory Administration) reached RMB4,070.752 billion, a year-on-year increase of 31.03%.

- **Making targeted efforts and maintaining leading position in the green bond market.** In 2024, the Bank issued USD700 million green financial bonds overseas and RMB10.0 billion green total loss absorbing capacity (TLAC) non-capital bonds domestic, also successfully issued the world's first SGS (a combination of sustainability-linked loans, green loans and social responsibility loans) bond. The Bank underwrote RMB261.837 billion in domestic green bonds, ranking first in the interbank market, as well as USD23.795 billion in overseas green bonds, placing first among Chinese peers in Bloomberg's "Global Offshore Green Bonds" rankings. The Bank's green bond investments exceeded RMB100.0 billion, ranking first in the National Association of Financial Market Institutional Investors (NAFMII)'s "List of Investors in Green Debt Financing Instruments for 2024".

- **Taking coordinated action and enriching green financial products and services.** The Bank launched dozens of green financial products and services across five categories, covering deposits, loans, bonds, consumption and integrated services, etc. It offered comprehensive services for the new energy vehicles industry chain that covers the entire product line, including investment, loans, bonds, equity, insurance and leasing. It launched innovative transition finance services such as "green transition upgrade loan", pricing the loan interest rates refer to the customers' achievements in low-carbon transition. The Bank provided preferential green mortgage home insurance for residents in the green buildings/communities certified by the government. It jointly underwrote the first interbank green office building real estate investment trusts (REITs) in China. It served as lead underwriter for a green technology innovation corporate bond. It published "ChinaBond-BOC Green Bond Index" in conjunction with ChinaBond Valuation Centre. It designed personal carbon account to help customers monitor and reduce their carbon footprint through daily eco-friendly choices.

- **Jointly promoting development and engaging in green finance exchanges and collaboration.** The Bank actively participated in global green governance, performing its duty in the green mechanisms it has joined, attending the "Sustainable Markets Initiative" China Council Meeting, the Green Investment Principles (GIP) for the Belt and Road and Green Development Investment and Financing Partnership Work Conference. The Bank deepened China-UK green finance and biodiversity cooperation, renewed the *Memorandum of Understanding Regarding the Development of Green and Biodiversity Financial Cooperation* with the UK government, and joined the Taskforce on Nature-related Financial Disclosure (TNFD) as the first Chinese-funded financial institution. With three green finance-related achievements included into the outcome document for the 11th UK-China Economic and Financial Dialogue, the Bank stayed ahead of its main peers in terms of the number of achievements. The Bank also hosted the "Green Finance and Sustainability" themed activity as part of the 4th China International Consumer Products Expo and unveiled ESG wealth management products. It co-hosted the closing ceremony of the 2024 Financial Street Forum, and launched personal carbon accounts and innovative green wealth management and carbon emission reduction coordinated plan, among others. It conducted frontier research, led the preparation of *Green Finance International Experience Research Report* and released the report at the annual meeting of the Green Finance Committee of the China Society for Finance and Banking, and published the *Guidance on Financial Support for the High-quality Development of Water Saving Industries* in cooperation with the Ministry of Water Resources of the People's Republic of China.

✧ **Building a stronger team and strengthening green finance capacity building.** The Bank pushed forward the implementation of its green finance talent development system for the "14th Five-Year" Plan period. It developed an online training system for green finance, offering around 100 courses across eight modules, with over one million people engaged in watching and learning. It held green finance product and service innovation competition and performance competition, organised a series of activities for performance evaluation and elite selection, and took numerous measures to constantly improve employees' green finance competence. The Bank continued to enhance the competitiveness of its domestic institutions in green finance, selected 28 tier-1 and tier-2 branches as model institutions in green finance during the year, and established a total of 456 featured green finance outlets. It also launched internal publications themed on green finance and ESG to inform employees of the latest industry trends and improve their market sense.

### Promoting development with comprehensive green finance services

**Green Asset Management**

- **BOC Wealth Management's** green finance-themed products have reached RMB76.524 billion in assets under management.
- **BOCIM** developed green and ESG mutual fund products under the three categories of low-carbon and green development concept funds, social responsibility funds, and ESG concept funds, managing a scale of RMB3.515 billion (calculated with reference to the ESG fund classification system of CITIC Securities).

**Green Insurance**

- **BOC Insurance** assumed green insurance liabilities of RMB450.521 billion.

**Green Leasing**

- **BOCL's** green leasing assets stood at RMB32.177 billion, accounting for about 48.55% of its total leasing assets.
- **BOC Aviation** ranked first among the aircraft leasing companies in Asia in terms of the value of self-owned aircrafts, and all their aircrafts on order are equipped with the latest green and energy-efficient technology.

**Green Bonds**

- **BOCI** underwrote 18 green and sustainability-linked bonds, totalling an equivalent of RMB45.874 billion in scale within the year.
- **BOCI China** underwrote green bonds totalling RMB13.730 billion in scale.

**Green Investment**

- **BOC Asset Investment's** investment in green finance stood at RMB38.743 billion.
- **BOC-Samsung Life's** investment in green finance stood at RMB7.038 billion, including debt investment plans, equity funds, bonds and stocks.

Note: The above figures are as of the end of 2024.

## Inclusive Finance

The Bank focused on the needs of micro and small-sized market entities, urban and rural residents, and other inclusive customer groups, kept optimising the quality and efficiency of its products and services, and promoted the high-quality development of inclusive finance business.

- ✧ **Expanding business volume and service coverage, ensuring the service provided at stable quality and proper prices, and enhancing the sense of gain of market entities.** The Bank continued to improve the offline and online accessibility of its inclusive finance services, built a total of more than 4,700 inclusive finance outlets, and optimised the service functions of online channels such as the "BOC Inclusive Finance" app and "BOC E-Cooperation" app. It maintained vigorous credit support in this regard. As at 31 December 2024, the Bank's outstanding inclusive finance loans to micro and small-sized enterprises (calculated based on the statistical standards by National Financial Regulatory Administration) reached RMB2,279.655 billion, growing by 29.63% compared with the prior year-end and outpacing the Bank's overall loan growth rate. The number of inclusive finance customers approached 1.50 million. The Bank actively made interest rate concessions to borrowers within the real economy, with the average interest rate of new inclusive finance loans to micro and small-sized enterprises standing at 3.24%. The asset quality of loans to micro and small-sized enterprises remained stable and controllable.

- ✧ **Focusing on key fields and weak links to deliver more targeted financial services.** The Bank supported the cultivation of new quality productive forces, continued to promote the intellectual property pledge financing business, and provided more than RMB600.0 billion of loans to more than 40,000 national and provincial-level specialised and sophisticated SMEs. It held a special "Inclusive Loan for Employment Promotion" themed event for three consecutive years, and provided special loans to support the production and operation of enterprises that stabilise and expand employment. In 2024, it granted more than RMB370.0 billion of special-purpose loans to over 67,100 customers to help stabilise and expand employment. It launched the special events of "Providing Resources to Support Startups", increased personal start-up loans, and provided exclusive financial service solutions for veterans, women and other groups for employment and entrepreneurship.

- ✧ **Applying the experience learned from the "Green Rural Revival Programme" to facilitate all-round rural revitalisation.** The Bank expanded credit supply with the balance of agriculture-related loans reaching RMB2.50 trillion, an increase of RMB501.128 billion from the end of the previous year. It helped consolidate and expand the achievements of poverty alleviation, focused on improving the quality and efficiency of financial services in areas lifted out of poverty and key counties receiving assistance for rural revitalisation, with the growth rate of loans to institutions in these counties 10.55 percentage points higher than the Bank's total loan growth rate. The Bank enriched agricultural-related products and services. It promoted the "Grain Planting Loan" to support the supply of important agricultural products, launched the "Aquaculture Loan" and "Fishery Loan" for marine fisheries to facilitate the development of the "Blue Grain Warehouse", and rolled out the online product of "Agriculture Quick Loan" to improve the convenience of financial services.

## Pension Finance

The Bank actively served the national strategy of responding to China's aging population, and made comprehensive deployments in the three areas of pension finance, personal pension finance and eldercare industry finance, focusing on three major customers groups, i.e. governments, businesses and individuals, and further building a pension financial service system with the characteristics of Bank of China.

- ✧ **Comprehensively serving the multi-level and multi-pillar pension insurance system.** The Bank gave full play to its professional capabilities, and provided comprehensive and quality services in terms of national social security fund, basic pension insurance, enterprise annuities, occupational annuities, and personal pension funds. As at the end of 2024, the Bank recorded 124 million valid social security cards, 4.4358 million enterprise annuity individual accounts, RMB259.091 billion entrusted pension funds, and RMB1.17 trillion pension funds under custody operation; it ranked the 2nd and 3rd in the market respectively by the number of the enterprise annuity individual accounts and the size of annuities under custody. As one of the first pilot banks that provide personal pension services, the Bank fully supported the implementation of the personal pension system across the country, with the number of such accounts exceeding 10 million.

- **Vigorously building the one-stop personal pension financial service system.** The Bank continuously enriched the supply of personal pension financial products including savings, wealth management, funds and insurance, to provide diversified investment options for customers. The Bank introduced 34 eldercare wealth management products and eldercare target funds (including personal pension products), with a total management scale of RMB42.540 billion at the end of the year. The Bank launched the elderly-oriented version of its mobile banking app online. This version of the app offers a range of convenient features, including a large font, wide line spacing, and audio reading capabilities. The page design has been streamlined to display frequently used services, such as fund transfers, individual e-codes for medical insurance, and payments for life expenses. The Bank made its offline service channels more elderly-friendly. A total of 10,265 elderly-friendly outlets were upgraded to meet the necessary standards, 1,145 demonstration outlets for eldercare services were established, and 100% of the business outlets met the standards for eldercare services.

- **Supporting the high-quality development of the eldercare industry and silver economy.** The Bank actively participated in the special campaign for city-enterprise collaboration on inclusive eldercare services launched by NDRC, and enhanced the quality and efficiency of financial services for the eldercare industry. It took full advantage of the relending facility for inclusive eldercare services, and provided preferential loans to eligible institutions and enterprises engaged in inclusive eldercare services, with the aim of expanding and enriching the supply of eldercare services. Leveraging its globalised advantages, the Bank hosted the supply and demand matchmaking activity for the "silver zone" at the China International Import Expo (CIIE), for five years in a row, promoting the integration and connection of industrial resources. The Bank launched a cross-border health and wellness matchmaking activity during the 24th China International Fair for Investment and Trade (CIFIT), facilitating the collaboration between foreign-funded eldercare institutions and domestic businesses, to promote the high-quality development of the health and wellness industry.

## Digital Finance

The Bank seized the opportunities presented by the development of the digital economy, strengthened the role of digital technology and data as core drivers, constantly improved financial services to make them more digitalised and intelligent, and continually built new growth drivers and built new strengths for high-quality development.

- **Reinforcing the foundations and further capitalising on the value of data assets.** The Bank pushed forward "data-driven business empowerment", pressed ahead with data governance, integrated both internal and external data, and kickstarted the "Bring in Every Single Grain" project, completed construction of the "BOC One Table", and expanded the coverage of its "Data Verticals and Horizontals" platform to cover the whole Group. The Bank also advanced "business-oriented data application", completed the annual task of constructing the data labelling centre in a coordinated manner, deepened data analysis and application, and effectively supported precision marketing, risk prevention and control, and operation optimisation.

- **Deepening transformation and boosting the quality and efficiency of financial services at a faster pace.** In terms of corporate banking, the Bank released the brand-new 5.0 version of domestic corporate mobile banking, which introduced cross-border finance and inclusive finance themes and further enriched service functions, with the number of active customers reaching 3,996,100, up by 12.57% year-on-year, and was honoured the "Annual Excellence Award for Corporate Mobile Banking" at the 2024 China Digital Finance Golden Ranking Awards by China Financial Certification Authority (CFCA). The Bank continued to upgrade domestic corporate online banking, which recorded 7,325,400 active customers, up by 9.23% year-on-year. Giving full play to its edges in foreign exchange and foreign trade, the Bank further improved "BOC Cross-border E-Business Express", a cross-border e-commerce settlement product, providing one-stop digital finance services for new forms of foreign trade, with the annual turnover totalling RMB813.327 billion, up by 39.82% year-on-year. In terms of personal banking, the Bank vigorously applied innovative technology to boost the efficiency of domestic personal mobile banking services, and launched intelligent searching and cross-border assistants, among others, and was adapted to HarmonyOS. The Bank put into operation the "Wealth Management Night Fair" service, further improved the assessment model and risk monitoring mechanism for agency investment products, and built product label application scenarios in more dimensions. The Bank's personal mobile banking recorded 97.9315 million monthly active customers, up by 11.59% year-on-year, and RMB46.68 trillion in total transaction volume, and won the "Mobile Banking with Best Customer Experience" in the Yicai Financial Value Ranking in 2024. In terms of financial markets business, the Bank continued to improve its online services for foreign exchange and other products, and further reinforced the foundation for interbank market-making, effectively enhancing its trading capabilities.

- **Exploring innovation and deepening the integration between digital economy and real economy.** The Bank pressed ahead with the construction of open banking, enriched the services embedded in "BOC Corporate E-link", and successively launched financial service solutions for six scenarios, including "cloud accounting", "cloud finance", "cloud payroll", "cloud direct remittance", "cloud E-loan", and "cloud supervision", serving the digital transformation of industries. The Bank built the "BOC Corporate e-Manager", a corporate digital service platform for human resources, finance and operations, to support "cloud migration and intelligence empowerment" for SMEs and create the "non-financial and financial" integrated services for key scenarios, including agency payroll payment and financial cost control. The Bank continued to upgrade its corporate treasury system, fostering three featured services, i.e. cross-border funds, debt financing and intelligent risk control, to help group enterprises of various types advance the digital transformation of treasury management and the integrated business and financial services. The Bank refined the features of mobile banking, including the account opening and contribution of personal pension and asset management, with the aim of improving the accessibility of financial services.

- ✧ **Accelerating empowerment and making global service channels more intelligent.** For overseas corporate customers and "going-global" corporate customers, relying on the globally integrated corporate online banking platform, the Bank continued to enrich its features, and built globalized online service windows to meet businesses' demands for the online management of global funds. For overseas personal customers, the Bank promoted the new version of overseas personal mobile banking, optimising interface operation and feature navigation, introducing more features, and comprehensively improving user experience. As at the end of 2024, the overseas corporate online banking was available in 56 countries and regions around the world, providing services in 14 languages, and the overseas personal mobile banking was available in 31 countries and regions around the world, providing services in 12 languages, staying ahead of Chinese peers.

- ✧ **Expanding scenarios and further diversifying e-CNY application.** The Bank empowered digital finance innovation across industrial chains, and launched e-CNY smart contract loans for trade financing across supply chains, realising directed payment and making transactions controllable and traceable. The Bank was the first to launch the visible e-CNY hardware wallet, which introduced new features such as balance display and dynamic QR code, and supports both "Tap-to-Pay" and "Scan-to-Pay". The Bank optimised the hardware wallet service of "e-CNY + communication" and "e-CNY + transport", facilitating payment for the short-term overseas visitors to China. The Bank launched an exclusive wealth management product in mobile banking, which supported automatic subscription and quick payment and redemption, providing e-CNY wallet customers with interest-bearing balances and cash management options.

## Commercial Banking in the Chinese Mainland

The Bank effectively implemented China's macroeconomic policies, adhered to its missions and responsibilities, continued to boost the quality and efficiency of serving the real economy, and steadily advanced its high-quality development. In 2024, the Group's commercial banking business in the Chinese mainland recorded an operating income of RMB478.175 billion, a decrease of RMB3.605 billion or 0.75% compared with the prior year. Details are summarised in the table below:

Unit: RMB million, except percentages

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Items** | **Amount** | **% of total** | Amount | % of total |
| Corporate banking business | **197,119** | **41.22%** | 206,356 | 42.83% |
| Personal banking business | **232,100** | **48.54%** | 244,640 | 50.78% |
| Treasury operations | **47,831** | **10.00%** | 31,925 | 6.63% |
| Others | **1,125** | **0.24%** | (1,141) | (0.24%) |
| **Total** | **478,175** | **100.00%** | 481,780 | 100.00% |

### Corporate Banking

The Bank adhered to high-quality development and continuously promoted the transformation and upgrading of its corporate banking business. It provided strong support to key areas and weak links in the national economy, and promoted the development of new quality productive forces. It thoroughly implemented the national's regional coordinated development strategy and leveraged its financial strengths to serve the coordinated development of regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt. The Bank constructed a sound and hierarchical customer marketing management system to continuously consolidate its business development foundations. Capitalising on its advantages in comprehensive services, it met customers' diversified financing needs and provided all-around, customised financial service plans including credit, direct financing, asset securitisation, and equity investment and financing. In 2024, the Group's corporate banking business in the Chinese mainland achieved an operating income of RMB197.119 billion.

## Corporate Deposits

The Bank promoted the high-quality development of its deposit business through a development strategy that balances and coordinates quantity and pricing. It fully implemented regulatory requirements, actively optimised the business structure, strengthened deposit pricing management, balanced risk prevention and business development, and continuously promoted reasonable growth in quantity and effective improvements in quality. The Bank built a service system around its Global Business Centre (GBC) to provide customers with efficient, comprehensive, professional, and personalised deposit-related services worldwide. It highlighted the strategic positioning of its administrative institution business, strengthened the "Head Office-to-headquarters" connection, and provided financial services to address the core needs of government institutions. It also pressed ahead with the building of a smart government services ecosystem, and improved its comprehensive financial services. As at the end of 2024, RMB corporate deposits of the Bank's commercial banking business in the Chinese mainland reached RMB8,862.226 billion, steadily strengthening market competitiveness. Foreign currency corporate deposits amounted to USD78.574 billion, with the Bank's market share continuing to lead the industry.

## Corporate Loans

The Bank closely tracked market and customer financing needs, continuously optimised business structure, increased financial supply to key areas and weak links, and effectively improved the quality and efficiency of its service to the real economy. It increased credit investment in strategic emerging industries to assist in the building of a modern industrial system. The Bank supported coordinated regional development, firmly grasping the state's development direction for each region and increasing credit support for key industries according to local conditions, thereby injecting financial momentum into the construction of a regional economic layout featuring complementary advantages and high-quality development. It served the rural revitalisation strategy, supported the development of modern agriculture and consolidated and expanded poverty alleviation achievements. The Bank gave full backing to the nation's ecological civilisation strategy. It improved its green credit products and services, created the BOC Green Finance brand and promoted the expansion of green credit, thus contributing to sustainable socioeconomic development. It served the national strategy of opening up, mutual benefit and win-win results, strengthened economic and trade cooperation with foreign countries, and diligently delivered Belt and Road financial services. By the end of 2024, RMB corporate loans and advances of the Bank's operations in the Chinese mainland amounted to RMB12,155.377 billion, while foreign currency corporate loans and advances amounted to USD34.097 billion. Corporate green loans, loans to private enterprises, and loans to the manufacturing industry increased by 31.51%, 18.72%, 16.60% respectively compared with the prior year-end.

## Investment Banking Business

The Bank gave full play to the advantages arising from its globalised and comprehensive operations, and provided customers with diversified financial products and all-round financial service plans including bond underwriting and distribution, asset securitisation and financial advisory services. Through its professional services, it assisted in the construction of multi-level domestic capital markets while meeting customers' direct financing needs. During the year, the Bank ranked among the top in China's inter-bank bond market in terms of bond underwriting volume, and ranked first in the market in terms of the placement volume of credit bonds of the National Association of Financial Market Institutional Investors. Steadfastly promoting the development of green finance, the Bank held the leading market share in green bond underwriting. It also participated in the underwriting of the first batch of "Two New" bonds to assist enterprises in transformation and upgrading. The Bank ranked first in the market in terms of the underwriting volume of Panda bonds, Chinese offshore bonds and offshore RMB bonds. The underwriting scale of the Bank's asset securitisation business ranked first among peers. The Bank comprehensively addressed customer needs in mergers and acquisitions, equity financing, project financing, debt restructuring, asset divestiture, cross-border investment and financing, market analysis, industry research, and policy interpretation, and provided professional financial advisory services.

## Financial Institutions Business

Leveraging its global and integrated business platform, the Bank provided comprehensive and high-quality financial services to customers around the world.

**The Bank deepened cooperation with various types of financial institutions.** It maintained correspondent relationships with approximately 1,200 institutions around the world and has opened 1,540 cross-border RMB clearing accounts for correspondent banks from 114 countries and regions, establishing itself as a leader among Chinese banks. The Bank promoted the RMB Cross-Border Interbank Payment System (CIPS) and has forged indirect participant partnerships with over 600 domestic and overseas financial institutions, capturing the largest market share among peers. Its custodian service for Qualified Foreign Investors (QFI) and its agency service for overseas central banks and other sovereign institutions led the industry in terms of both customer base and business scale. It also ranked first in the amount under custody of bonds invested by overseas institutions in the China interbank bond market (CIBM).

**The Bank actively promoted RMB internationalisation.** It held various events including the "Assisting the Construction of the China-Pakistan Trade Corridor and RMB Business forum", and made every effort to advance RMB internationalisation in Latin America. It actively participated in the Sibos (Swift International Banking Operations Seminar) 2024 Annual Conference, promoting deeper cooperation with overseas financial institutions in professional areas such as RMB internationalisation products and digital currencies.

**The Bank established multi-level partnerships with sovereign institutions and international multilateral financial institutions.** It signed a strategic cooperation agreement with the Public Investment Fund of Saudi Arabia, a memorandum of cooperation with Brazil's B3 Exchange, and became the main Chinese banking service provider for the Asian Infrastructure Investment Bank and BRICS New Development Bank.

**The Bank facilitated high-level opening-up to the outside world.** It supported the construction of the Shanghai International Reinsurance Center, and deeply participated in the design and market promotion of the "International Board" for reinsurance. It became one of the first clearing banks for the Hainan Cross-border Commodity Clearing Link at the Shanghai Clearing House, and cooperated to implement the first market transaction.

## Transaction Banking

The Bank coordinated domestic and international markets and resources in order to foster high-quality development in transaction banking.

**Through cross-border services, the quality and efficiency of the Bank's financial support to stabilising foreign trade has been continuously improved.** The Bank released a series of guidelines, including the *Action Plan of the Bank of China for Supporting the Stable Growth of Foreign Trade* and the *Work Plan of the Bank of China for Supporting the Development of New Forms of Foreign Trade Business*, continuously strengthened top-level planning for the stabilisation of foreign trade, intensified efforts to reinforce financial supply, and facilitated the cultivation of new drivers of foreign trade. Fully leveraging the role of major exhibitions in promotion and communication, it provided high-quality services for the organisation of major exhibitions such as the China International Import Expo (CIIE), China Import and Export Fair (Canton Fair) and China International Fair for Trade in Services (CIFTIS), helping enterprises to expand their market reach and strengthen their competitive positions. In 2024, the Bank's cross-border settlement volume saw a steady increase in both quantity and quality, further consolidating the Bank's competitive advantages. The international settlement volume of the Bank's domestic institutions and the cross-border RMB settlement volume exceeded USD4 trillion and RMB16 trillion respectively, both ranking first in the market. Cross-border e-commerce settlement volume achieved a year-on-year increase of nearly 40%.

**Upholding fundamental principles and breaking new ground, while continuously enhancing support for the real economy.** The Bank's bills, letter of credit and trade financing business grew in a coordinated manner, and a multi-tiered financing support system was established to meet the diversified financing needs of enterprises. The Bank optimised its basic services, and streamlined the processing times and procedures for high-frequency businesses such as corporate accounts and remittances, gradually delivering significant improvements to the customer service experience.

**Embracing the guiding role of technology and accelerating digital transformation in transaction banking.** The Bank launched its "BOC Digital Confirmation" service, offering full-process intelligent electronic confirmation solutions together with intensive processing of paper confirmations, continuously improving its customer services. It continuously upgraded its "BOC Cross-border Remittance Express" product and reduced the processing time of its cross-border remittance services to the minute-second level. It continued to optimise its cash management functions, with the number of customers and active transactions improving steadily. As one of the first cohort of pilot banks to engage in foreign exchange banking reform, the Bank extended the relevant business scope and grew its foreign exchange volume, continuing to demonstrate its distinctive advantages in foreign exchange business.

The Bank was awarded the "2024 Best Cash Management Bank" by *Trade Finance* magazine, received the "Annual Award of Excellence for Corporate Mobile Banking" from the China Financial Certification Authority, and the BOC Cross-border E-Business Express was recognised with the "Second Prize of the Financial Technology Development Award" from the People's Bank of China.

### Inclusive Finance

The Bank remained committed to serving inclusive customer groups, focused on improving service quality and efficiency for key industries and weak links, and helped improve people's livelihood and well-being.

**Bolstering technological innovation and cultivating new quality productive forces.** The Bank focused on micro and small-sized technological enterprises and improved its full life-cycle services, providing a package of financial services such as account opening, agency payroll payment, settlement, private banking and capital services, etc. It had granted more than RMB600.0 billion of loans to more than 40,000 national and provincial-level specialised and sophisticated SMEs. The Bank continued to promote its intellectual property pledge financing business, carried out special activities to assist the development of new energy vehicles and other industrial chains, and regularly developed and published the "Enterprise Intellectual Property Pledge Financing Index".

**Steadfastly benefitting the people and serving people's livelihood and employment.** The Bank fortified its long-acting mechanisms to stabilise and expand employment, and launched special initiatives such as "Inclusive Loan for Employment Promotion" and "Providing Resources to Support Startups". In 2024, it granted a total of more than RMB370.0 billion of special-purpose loans to help stabilise and expand employment to over 67,100 customers recommended by local human resources and social security departments. The Bank supported consumption promotion, employment stabilisation and people's livelihood protection, served self-employed individuals, new urban residents and rural households, and launched exclusive financial services such as "famous-brand, special, excellent and new products", Inclusive Innovation Loan and special activities to benefit merchants and support rural people.

**Improving service quality and efficiency through proactive transformation and empowerment.** The Bank continued to upgrade its BOC Inclusive Finance app, further expanding service scenarios and optimising the service experience. The app won the Innovation Achievement Award at the 6th China Digital Inclusive Finance Conference. The Bank continued to improve the efficiency of its business operations and management, and strengthened the application of digital tools such as intelligent business monitoring.

### Pension Business

The Bank faithfully implemented the national strategy of actively responding to the aging population, and strived to build up its pension financial service system with abundant products and high-quality services, contributing its financial strength to the high-quality development of the aging society. As at the end of 2024, the Bank's entrusted pension funds reached RMB259.091 billion, an increase of RMB49.205 billion or 23.44% compared with the prior year-end. Enterprise annuity individual accounts held by the Bank reached 4.4358 million, an increase of 0.3121 million or 7.57% compared with the prior year-end. The Bank provided enterprise annuity services for more than 19,900 institutional clients.

**Special column: Moving towards the "New" and serving the development of new quality productive drivers**

The Bank continued to align its reform and development efforts with national strategies. It consistently optimised the financial supply structure. With scientific and technological innovation as the driving force, the Bank fully supported the construction of a modern industrial system and vigorously promoted the deep integration of scientific, technological and industrial innovation.

*The Bank actively served the transformation and upgrading of traditional industries.* As at the end of 2024, the balance of loans supporting the high-end transformation of traditional industries reached 417.040 billion yuan, an increase of 29.31% compared with the end of the previous year. The Bank increased credit investment in clean energy, energy conservation, environmental protection, and carbon emission reduction technologies. As at the end of the 2024, the balance of clean energy loans reached RMB1,353.174 billion, an increase of 38.97% compared with the previous year-end. The Bank supported customers to achieve end-to-end digital transformation. As at the end of 2024, the number of corporate treasury system cooperative customers reached 230. The Bank steadily advanced new industrialisation and strengthening the resilience and security of industrial and supply chains. At year-end, the balance of loans to the industrial internet sector reached RMB66.666 billion, an increase of 46.49% compared with the previous year-end.

*The Bank cultivate the growth and development of emerging industries.* By focusing on 66 national-level strategic emerging industry clusters, the Bank facilitated cooperation between banks and government entities as well as between banks and enterprises. It introduced tailored policies for emerging industries in different fields, refined its product and service system across the entire life cycle, and actively directed financial capital to "invest early, invest in small enterprises, invest for the long term, and invest in hard technology". As at the end of 2024, the balance of loans to strategic emerging industries reached RMB2,471.144 billion, an increase of 26.31% compared with the end of the previous year.

*The Bank made forward-looking arrangements for the development of future industries.* It formulated comprehensive financial service plans for national laboratories, and provided "one customer, one strategy" customised service plans for customer groups such as technology entrepreneurs, outstanding engineers and scientific research talents, serving a total of 1,539 customers.

*The Bank strengthened institutional guarantees in serving new quality productive forces.* It published the *Thirty Measures to Support the Development of New Quality Productive Forces* to ensure the implementation of measures for promoting the development of new quality productive forces. The Bank refined its risk policy framework to align with the development needs of new quality productive forces, and issued research achievements in cutting-edge fields. The Bank accelerated the scientific and technological empowerment of the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. In addition, the Bank strengthened its business management mechanisms and resource allocation, and established a statistical indicator system for new quality productive forces. Economic capital allocation in relevant fields has also been increased to stimulate internal innovation and development momentum.

## Personal Banking

Taking a customer-centric approach, the Bank vigorously supported services for ensuring people's well-being and stepped up efforts to promote high-quality development of personal banking. As at 31 December 2024, the Bank's commercial banking business in the Chinese mainland served approximately 540 million personal customers, an increase of 2.75% compared with the prior year-end, and its market share among comparable peers grew compared to the end of last year. In 2024, the Bank's personal banking business in the Chinese mainland realised an operating income of RMB232.100 billion.

### Account Management Business

The Bank is committed to offering inclusive and high-quality account management services. Focusing on the pension financial service system, it strengthened its service by upgrading a one-stop comprehensive pension solution, which covers pension account opening, contribution and asset management, etc. As at 31 December 2024, it provided personal pension account management services for more than 10 million customers. It continued to promote its "Greater Bay Area Account Opening" service, by which the Bank opened over 400 thousand accounts as at 31 December 2024, an increase of 15.94% compared with the previous year-end. The Bank actively reduced fees and made profit concessions, providing fee waivers on personal debit card annual fees and management fees for low-balance accounts.

### Wealth Finance Business

In line with the strategic aim of "common prosperity", the Bank contributed to increasing residents' non-salary income and advanced high-quality development of wealth management business. It enhanced its investment products selection capabilities, established a "Market-wide + Group-wide" product shelf, dynamically optimised its product supply according to market conditions, continuously improved its multi-term, multi-strategy product supply system. The Bank steadily expanded cooperation with up to 18 wealth management companies, maintaining a leading position among its comparable peers. It strengthened its professional asset allocation capabilities, offered wealth allocation recommendations in accordance with customers' risk preference and market environment, and provided comprehensive wealth management planning for customers, so as to meet their multi-dimensional requirements, including liquidity, profitability, safety and so on. To enhance its whole-process customer service capabilities, the Bank continuously optimised "BOC Investment Strategy", a global investment strategy information service system covering major asset categories across different time intervals. It also expanded its "Fortune", an online operational ecosystem in mobile banking. As at 31 December 2024, 44 cooperating financial institutions, covering the business of funds, insurance, brokerage firms, wealth management and others, joined in the "Fortune" community. The Bank continuously enriched information for investor education and provided more supplementary services for customers holding investments. To improve customer service experience, the Bank launched the "Wealth Management Night Fair" service, extending the closing time for subscription and redemption transactions to 12:00 midnight, providing customers with earlier confirmation and redemption settlement services. It continually improved product functions and services interface to enhance customer experience. It actively rolled out Commercial

Pension products, contributing to the development of a sound pension financial system. As at 31 December 2024, the total financial assets of the Group's personal customers under management reached RMB15.77 trillion, with a steady increase in both the customer base and assets under management of medium and high-end customers. The Bank established 8,575 wealth management centres and 1,180 prestigious wealth management centres in the Chinese mainland. The Bank was awarded the "5th Golden Bull Award for Banking Wealth Management – Golden Bull Award for Agent Sales of Wealth Management Products" from *China Securities Journal*, and the "Excellent Wealth Sales Bank" and the "Excellent Wealth Management Institution" in the 6th Yinghua Awards for Wealth Management in China's Banking Industry organised by *China Fund News*.

**Consumer Finance Business**

Closely focusing on the needs of residents, the Bank intensified its efforts to improve its consumer finance services. The Bank fully implemented national policies, continuously increased housing mortgage loan scale, and supported the real estate market in its steady growth. As a result, the Bank has recorded a higher market share among comparable peers as compared to the end of last year. By making timely adjustments and refinements to its housing credit policies, it provided differentiated housing credit services, repriced outstanding mortgages in a smooth and orderly manner, and reduced financing costs for clients. To implement requirements for boosting consumption and expanding domestic demand, the Bank accelerated the online migration of consumer loans, while also expanding its business scale and customer coverage. It issued the *Financial Service Plan of Bank of China for Supporting the Trade-in of Consumer Goods* to better facilitate the trade-in of consumer goods. The Bank actively implemented the policy of interest exemption and deferred repayment for government-sponsored student loans, and energetically promoted the coordinated development of government-sponsored student loans from campus and from place of origin, thereby expanding the scope of its business services. As at 31 December 2024, the Bank's domestic personal loans to residents reached RMB6,029.919 billion, growing by RMB202.797 billion, 3.48% compared with the prior year-end.

**Private Banking Business**

The Bank is committed to create full-cycle, multi-scenario and customised wealth management services. The Bank improved its investment strategy information service system, optimised its market-wide, Group-wide, and round-the-clock private banking non-proprietary products distribution, introduced Qualified Domestic Limited Partner (QDLP) cross-border investment products. It comprehensively upgraded the service matrix of wealth inheritance, innovatively rolling out unlisted company equity trust and real estate trust products and launched "Family Harmony • Family Service Trust". As a result, the number of customers signed up for wealth management trust increased by 61.92% compared with the prior year-end. It enhanced its "Entrepreneur Office" service, promoted business financing services tailored to key entrepreneur customers, organised "GBIC (Government, Banks, Investment Banks and Insurance, Corporations and Clients) Development Forum", and published documentary themed on "BOC Platform for Value Added Services – Sailing with Entrepreneur". Leveraging the advantages of its global integrated private banking services, the Bank assisted customers in optimising global asset allocation and provided Employee Stock Ownership Plans services for several overseas listed enterprises. It organised "BOC Platform for Value Added Services" activities for both domestic and international customers. The Bank fulfilled its social responsibilities, supporting "BOC Platform for Value Added Services – Spring Bud Project" for 10th consecutive years, promoting the issuance of charitable products and trusts, carrying out "Eternal Flame" intangible cultural heritage preservation and transmission initiative. As at 31 December 2024, the Group had about 198.9 thousand private banking customers with RMB3.14 trillion of financial assets under management, and established 203 private banking centres in the Chinese mainland.

In 2024, the Bank received various awards, including the "China's Best State-Owned Private Bank" from *Euromoney*, the "Family Succession Service of the Year in China" from *The Asian Banker*, the "Best Private Bank for Entrepreneurs" from *Global Finance*, "Best Private Bank – National", "Best Private Bank – Wealth Planning" and "Best Private Bank – Entrepreneurs" from *Asian Private Banker*, the "Excellent Case of Family Trust Management Innovation" from *The Banker* and so on. A total of 11 private banking centres of the Bank were listed in the Top 100 Private Banking Centres by *Retail Banking*.

### Personal Foreign Exchange Business

The Bank actively served the country's high-level opening up. Focusing on key customers, key regions and key businesses, it accelerated product and service innovation and continued to optimise its personal foreign exchange business in order to consolidate its leading advantages. It expedited the roll-out of self-service currency exchange machines, which now supports e-CNY exchange and offers interface and voice guidance in 8 languages. The number of the self-service machines increased by 71.70% compared with the prior year-end, maintaining its market lead. The Bank had over 1,700 authorised exchange counters, with its market share among comparable peers surpassing 50%. In 2024, the Bank led the domestic market in terms of volume of personal foreign currency exchange against RMB, and led the domestic market in terms of foreign currency personal deposits at the end of 2024. It also continued to lead its peers in terms of personal deposit-withdrawal currency coverage with 22 currencies, and personal foreign currency cash exchange coverage with 36 currencies.

## Bank Card Business

Focusing on customers' financial service needs, the Bank continuously optimised its comprehensive service capabilities to effectively develop the growth potential of its bank card business.

**Enhancing the quality and efficiency of debit card services to improve people's well-being.** The Bank enhanced online and offline service ecosystem for its social security card business and optimised social security card functions and experience. It actively cooperated with human resources and social security bureaus at all levels to utilise social security cards for social benefits payment and receipt, and promoted electronic social security cards. As at the end of 2024, the Bank had cumulatively issued 124.4736 million physical social security cards and 43.4335 million electronic social security cards respectively. To service the country's rural revitalisation strategy, the Bank vigorously promoted "rural revitalisation" themed debit cards and enriched the benefits of the products. As at 31 December 2024, a total of 6.3737 million cards were issued. To enhance digital service capabilities, the Bank optimised the quick payment card binding experience, and introduced functions such as one-click multi-binding on WeChat and at smart counters, as well as the automated filling of SMS verification codes during card binding processes.

**Fully leveraging the professional credit card service capabilities to meet customers' diverse consumption needs.** To align with the requirements of key customer groups, the Bank launched the JD.com PLUS virtual co-branded card and Great Wall YOU card for young customers. Targeting private banking, prestigious wealth management and wealth management customers, it launched the Great Wall Private Banking Credit Card, Great Wall Wealth Credit Card and Great Wall Platinum Credit Card Excellence Edition to improve customers' loyalty and boost service experience. Focusing on key business scenarios, the Bank implemented the government's arrangements for the trade-in policy across consumer goods, and launched exclusive credit card instalment service solutions, supporting key consumption scenarios like automobile upgrade, old house reconstruction, and replacement of home appliances and supplies. Delving into the area of new energy vehicle consumption, the Bank further expanded the cooperation with automakers, and facilitated the upgrade towards green consumption among residents. The Bank refined instalment services for online scenarios, and strived to develop a merchant instalment service system that covers leading e-commerce platforms and home appliance brands. It carried out cashback campaigns during peak consumption periods for high-frequency and high-consumption scenarios such as shopping, travel, supermarkets and entertainment, in order to meet customers' needs for convenient consumption. The Bank points also allowed the consumption of Alipay, Meituan and JD.com for cash, forming a closed loop in which "consumption is converted into points and points are redeemed for consumption".

As at the end of 2024, the Bank had issued a total of 147.9404 million credit cards, a year-on-year increase of 2.66%, The balance of credit card loans reached RMB593.4 billion, a year-on-year increase of 7.62%. In 2024, credit card transaction volume amounted to RMB1,286.470 billion. The total instalment volume of credit cards stood at RMB346.680 billion.

### Payment Merchant Business

Upholding the principle of "payment for the people", the Bank vigorously facilitated payment services while always prioritising customer experience. Focusing on key customer groups, the Bank refined its payment service capabilities for overseas individuals visiting China. As at 31 December 2024, the proportion of the Bank's ATMs offering foreign card withdrawal services reached 100%, while the proportion of branches providing foreign currency exchange services stood at 99%. The Bank expanded overseas card acquiring merchants, and the number of foreign card acquiring merchants increased by 166.18% compared with the prior year-end. It enhanced its payment service capabilities for elderly customers, established and improved petty cash exchange mechanisms and granted approximately 3.21 million "petty cash packs". It expanded the coverage of its mobile banking QR code services for public transport. Its Railway e-Card services covered 90 inter-city railway lines, including in key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area, serving over 42 million journeys. It made full use of mobile payment, carried out card binding and cashback marketing campaigns with mainstream payment institutions, and enhanced the precision of its promotions by aligning with payment institutions' algorithms.

## Financial Markets Business

The Bank closely tracked financial market dynamics, leveraged its unique advantages in financial market business, stepped up efforts to ensure prudent and compliant operations and continually adjusted its business structure, thus advancing the high-quality development of its financial markets business.

### Investment Business

The Bank strengthened its professional forecasting and analysis of macroeconomic and financial market trends, dynamically optimised its investment portfolio structure and effectively balanced market risk and investment opportunities. It supported the development of the real economy, increased investment in Chinese government bonds, local government bonds, sci-tech innovation bonds, green bonds and other key fields, and retained its position as a leading investor in green debt financing instruments. It actively participated in capital market innovations, including corporate bond investment on the Beijing Stock Exchange and total loss absorbing capacity (TLAC) non-capital bond investment. It strengthened active management of foreign currency portfolios, capitalized on the opportunities deriving from volatile USD rates market, and enhanced portfolio diversification across assets and currencies, thus steadily increasing its foreign currency portfolio yield while properly controlling risks.

### Trading Business

The Bank continually refined its financial markets service systems and redoubled efforts to enhance comprehensive customer service capabilities.

**Continuously sharpening market advantages.** The Bank continued to outperform peers in market share of foreign currency exchange against RMB. The Bank provided quotes on 40 currencies against RMB, including newly listed Mexican Peso and Saudi Arabian Riyal, and cash foreign exchange currency for Vietnamese Dong. It led the domestic market in terms of the total number of tradable foreign currencies. The Bank actively fulfilled its responsibilities as a core market-maker, constantly improved quantitative trading strategies, and enhanced market-making and quotation capabilities. It took the lead in participating in market innovations including RMB/MOP trading and RMB foreign exchange trading in the Free Trade Zone at CFETS. It also remained the leading market maker for precious metals of Shanghai Gold Exchange and Shanghai Futures Exchange. For consecutive years, it was recognised as "Excellent RMB Foreign Exchange Market Maker", "Excellent Foreign Currency Pair Market Maker", "Excellent Member in Enterprise FX Risk Management Services" and "Excellent Currency Trading Institution along the Belt and Road" in China Foreign Exchange Trade System. It won the awards of "Most Market Prestigious Institution of the Year" from National Interbank Funding Centre, and "Bond Market Leading Institution of the Year" from China Central Depository & Clearing Co., Ltd.

**Vigorously enhancing client service capabilities.** The Bank actively oriented the concept of FX risk neutrality and combined financial market trading instruments to assist enterprises in managing their FX risk. It constantly optimised digital channel functions and improved the quality and efficiency of hedging services for micro, small and medium-sized enterprises. The Bank vigorously promoted over-the-counter bond products and facilitated the tiered development of the bond market.

**Energetically supporting the high-level opening up of financial markets.** The Bank actively coordinated to the optimisation of "Northbound Swap Connect" and smoothed the channels for international capital investment. It strengthened the integrated expansion of its overseas institutional investors, maintained market leadership in cash bond trading with overseas institutions, and ranked the first in volumes of bond custody for overseas institutions. The Bank signed the first variation margin agreement under domestic derivatives trading and took part with overseas financial institutions in the first cross-currency repo transaction to be collateralised by RMB bonds, further enriching the application scenarios with RMB assets. In 2024, the Bank won the "Northbound Top Market Maker" award as well as the inaugural "Outstanding Risk Management Value-added Business Participating Institution" award from Shanghai Clearing House, and the "Outstanding Contribution Institution in International Business", "Outstanding Pioneer Institution in Collateral Business" award by China Central Depository & Clearing Co., Ltd. in 2024.

**Robustly consolidating lines of defence against risk.** The Bank continuously improved its risk control rules and risk management mechanisms, and conducted more forward-looking, proactive and professional analysis and judgment of financial markets. It responded to market changes in an agile and efficient manner, and constantly enhanced its risk control and management capabilities.

### Asset Management Business

The Bank seized market opportunities occurring with the residents' wealth growing and the medium- and long-term funds injecting into the market. With the execution of overall management and top-level design to the asset management sector conducted by the Asset Management Business Committee, it continuously optimised its product system, consolidated its channel construction, and enhanced investment research capabilities, promoting the high-quality development of the asset management business. The Bank actively served the real economy and residents' wealth management, coordinated with institutions such as BOC Wealth Management, BOC Investment Management, BOCI China, BOC Assets Investment and BOC Hong Kong Asset Management, etc. It carried out asset management business, providing individual and institutional investors with domestic and foreign currency products featured with complete range of asset categories, diversified investment strategies and whole investment cycle. We continue to accelerate the issuance of various characteristic theme innovation products and continuously enrich the theme product systems of "technology", "green", "inclusive", "pension", and "digital". By the end of 2024, the asset management business scale of the group reached RMB3.48 trillion, achieving a prolonger market influence.

### Custody Business

The Bank continued to strengthen the comprehensive service capability of its custody business and lastingly enhanced the quality and efficiency of business operation. In response to the regulatory decision to set up the Securities, Funds and Insurance Companies Swap Facility (SFISF), the Bank successfully completed the inaugural batch of SFISF under asset custody in the market. The Bank continued to strengthen its cooperation with various market entities in the custody business. It provided custody services to China Merchants Commercial REIT and Huaxia Jinmao Commercial REIT, playing a key role in their successful issuance and listing. As at the end of 2024, the scale of the Group's assets under custody exceeded RMB20 trillion, ranking the first among major peers in terms of growth rate of assets under custody. The Group also saw a steady improvement in its market ranking, with key products, including bank wealth management custody, trust property custody and insurance fund custody, achieving top rankings among major peers in terms of product scale and growth.

## Village Bank

BOC Fullerton Community Bank, as a vital platform of the Bank for promoting the high-quality development of inclusive finance and implementing the nation's rural revitalisation strategy, is committed to providing modern financial services to county-level micro and small-sized enterprises, individual merchants, wage earners and farmers in accordance with the ideal of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". As at the end of 2024, BOC Fullerton Community Bank had established 134 village banks with 188 sub-branches in 22 provinces (including municipalities directly under the Central Government). Its registered capital amounted to RMB10.585 billion, with total assets and net assets standing at RMB112.721 billion and RMB15.539 billion respectively. In 2024, BOC Fullerton Community Bank achieved a profit for the year of RMB201 million.

BOC Fullerton Community Bank continually improved its product and service system, further expanding its customer base and business scale. Serving the real economy, BOC Fullerton Community Bank increased support for micro and small-sized enterprises and individual merchants. It also boosted rural revitalisation, delivered financial services to households and villages, and improved the quality and efficiency of services to agriculture-related entities such as large-scale planting and breeding households and family farms. It pressed ahead with digital transformation, thus unblocking "last mile" barriers to county-level financial services. It also optimised the comprehensive risk management system for business lines that supports farmers and small-sized enterprises, thus maintaining good asset quality. The NPL ratio was 1.78%, and the ratio of allowance for loan impairment losses to NPLs was 178.01%. As at the end of 2024, the balances of the total deposits and loans of its banks stood at RMB78.908 billion and RMB84.884 billion.

BOC Fullerton Community Bank was listed in the "2024 Innovation Practice Library for Building a Financial Powerhouse" by people.cn, "2024 Excellent Cases for Improving the People's Wellbeing" by *Minsheng Weekly*, "Top 100 Rural Banks for Strengthening Agriculture" by *China Rural Credit Cooperatives News*, and "Excellent Practice Case of Financial Services for Rural Revitalisation" by *China Urban and Rural Finance News*.

## Globalised Operation

The Bank constantly enriched the supply of financial products and services, further deepened the coordination across the Group, and gave further play to the role of the mechanism of "accessing the Bank's global resources and services at any point of contact", strived to continuously consolidate its globalised advantages, and enhanced its global development capabilities and international competitiveness.

**The Bank realised steady and orderly development in its globalised businesses, and constantly improved its ability to create value.** As at 31 December 2024, the Bank's overseas commercial banking business recorded customer deposits and loans and advances to customers of USD589.102 billion and USD423.720 billion, an increase of 6.70% and a decrease of 2.53%, respectively, compared with the prior year-end. In 2024, the Bank's overseas commercial banking business achieved a profit before income tax of USD9.276 billion, an increase of 14.75% compared with the same period of the prior year, contributing to 22.33% of the Group's total profit before income tax, an increase of 3.12 percentage points year-on-year.

**The Bank continued to optimise its global network to meet the financial service needs of its global clients.** As at 31 December 2024, the Bank had 543 overseas institutions covering 64 countries and regions outside the Chinese mainland, including 45 Belt and Road partner countries, encompassing all of the world's important strategic nodes. With its extensive presence, the Bank promoted cross-border business, trade and economic exchange, providing premier financial services for high-quality "Bringing In" and high-level "Going Global" initiatives.

**The Bank continually improved the regional and intensive development mechanism for its overseas institutions, and cultivated synergies to drive coordinated growth.** The Bank constantly enhanced the role of BOCHK in driving the development of its overseas institutions in Southeast Asia, reinforced the capability of BOC (Europe) in managing its overseas institutions in the EU, and advanced the intensive operations of its middle and back offices, thus further improving service quality and efficiency. It also promoted regional collaboration and coordination in Latin America, South Asia and the South Pacific, with the aim of encouraging synergy among overseas institutions.

**The Bank further advanced the differentiated management of its overseas institutions and enhanced its global service capability.** It also deepened group-level governance, reviewed and revised its market-by-market growth strategies for overseas institutions, tapped the potential of overseas markets and continuously enhanced market competitiveness.

## Corporate Banking

The Bank deeply cultivated overseas markets, accelerated improvements in global layout and competitiveness, and promoted the high-quality development of its overseas corporate financial business.

**Steadily promoting overseas corporate deposit business and achieving new breakthroughs in business development.** Giving full play to its globalised advantages, the Bank closely tracked changes in the global market situation, adopted effective measures according to local conditions, and leveraged its "global expertise from any point of contact" mechanism to provide high-quality financial services for "Going Global", "Bringing In", Fortune 500 companies and local overseas enterprises.

**Enhancing the quality and efficiency of financial services for global clients and expanding international market influence.** The Bank actively supported high-level opening up and high-quality Belt and Road cooperation. It published the *Best Practices of Financial Support for Belt and Road Projects*, providing a guide for relevant financial institutions to support the high-quality development of Belt and Road cooperation. As at the end of 2024, the Bank had cumulatively followed up on over 1,200 corporate credit projects in Belt and Road countries, with cumulative credit support exceeding USD372 billion.

**Giving full play to the advantages of global institutional network coverage and leveraging global presence to boost influence.** The Bank fostered comprehensive cooperation with various types of financial institutions in areas such as clearing, settlement, lending, investment, custody, treasury operations and comprehensive capital market services. As a result, it further expanded its customer base. Moreover, the Bank made full use of its international partnership network, drew on advanced global expertise and deepened peer communication and cooperation mechanisms to continually strengthen its participation in ESG-related fields worldwide. Responding in a more agile and forward-looking manner to market fluctuations, the Bank provided market advice to overseas institutional customers, resulting in steady growth in its overseas institutional investor customer base.

**Strengthening the integration of domestic and overseas markets and resources, and deeply exploring business opportunities in bilateral trade and investment.** For domestic and overseas payment institutions and cross-border e-commerce platforms, the Bank launched the cross-border e-commerce settlement product series "BOC Cross-border E-Business Express – Tri-party Express, Overseas Express and E-Commerce Express", providing whole-process and one-stop digital finance services for new forms of foreign trade business. Its cross-border letter of guarantee services covered over 180 countries and regions across the world. These include a full range of guarantee products and whole-process online processing functions for over 30 sub-categories, meeting the needs of different industries, key areas and scenarios, including infrastructure, commodity trade, loan financing, shipbuilding, equipment leasing, and customs duties payment, and providing support for "Going Global" enterprises to expand into overseas markets. The Bank continued to improve its global cash management service system. A number of benchmark global cash management projects were successfully implemented, and the number of overseas cash management accounts increased by approximately 14%. Services including cross-border letter of guarantee and cross-border cash management all ranked first in market share.

**Facilitating the steady promotion of RMB internationalisation and consolidating advantages in cross-border settlement services.** The Bank organised the Annual RMB Internationalisation Forum in Shanghai with the theme "Leveraging the Status of the International Financial Centre to Facilitate RMB Internationalisation". It published the *White Paper on RMB Internationalisation 2024* and the *Action Plan of the Bank of China for Facilitating the Steady Promotion of RMB Internationalisation,* and conducted RMB internationalisation promotional campaigns in regions including Southeast Asia, Latin America and the Middle East. In 2024, the Bank's cross-border RMB settlement volume in the Chinese mainland reached RMB16 trillion, a year-on-year increase of 26%, leading the industry in scale.

**Continuously improved the cross-border service level of its investment banking business.** It assisted the MOF in issuing offshore RMB bonds in Hong Kong (China) and Macao (China), with a total issuance amount of RMB60 billion. The Bank also assisted local governments and Chinese-funded enterprises in issuing offshore RMB bonds totalling over RMB100 billion, maintaining the leading market share in offshore RMB underwriting volume. Its underwriting volume for Chinese offshore bonds stood at USD3.055 billion, securing the top market share for nine consecutive years. The Bank's underwriting volume of Panda bonds was RMB48.996 billion, maintaining the leading market position for eleven consecutive years. It underwrote the first Panda bond in South America and assisted overseas entities such as the Asian Infrastructure Investment Bank and the New Development Bank in issuing Panda bonds. As a global coordinator, the Bank supported the MOF in pricing Euro and US dollar overseas bonds in Paris and Riyadh respectively, improving the offshore sovereign bond yield curve and providing a pricing benchmark for the international market financing of Chinese-funded enterprises. It promoted the development of green finance, with its market share in overseas green bond underwriting ranking first among Chinese-funded institutions.

**Special column: Global services promoting cross-border economic and trade cooperation**

**Serving as the Chinese Chairman unit of the China-Italy and China-France Business Councils and actively supporting enterprises' win-win development.** As the Chinese Chairman unit of the China-Italy and China-France Business Councils, the Bank has long been committed to promoting national economic and trade exchanges with high-quality financial services, and helping both parties achieve win-win development. In 2024, we co-organised a parallel forum under the 7th Meeting of the China-Italy Business Council. Representatives from Chinese and Italian enterprises focused on five major themes, including finance and energy, discussing practical cooperation opportunities. We also hosted the China-Italy SME Trade and Investment Cooperation Fair, where we facilitated the signing of agreements between 19 pairs of Chinese and Italian enterprises. In addition, we supported the hosting of the "China-France Business Council in Shanghai" cooperation and exchange meeting. More than 130 distinguished Chinese and French guests participated in sharing and communication, realising greater potential for China-France cooperation and helping business entities from the two countries to jointly explore global markets.

**Deepening global financial interaction and showing the new attitude of China's financial opening up.** The Sibos 2024 conference was held at the China National Convention Centre in Beijing from October 21 to 24. The Bank attended the "View from the Top" event and delivered a keynote speech entitled "China's High-Level Opening-Up and Development Opportunities in the Financial Industry" as the only Chinese financial institution invited to this high-level forum. During the conference, the Bank held meetings with senior officials from Clearstream, Deutsche Bank, Euroclear, Mitsubishi UFJ Bank, the Central Bank of Armenia, and Buna (the Arab Regional Payment Clearing and Settlement Organization) to strengthen exchanges and cooperation. In addition, a meeting was held with the Commonwealth Bank of Australia, during which the *strategic cooperation memorandum* between the two banks was renewed.

**Actively building a financial bridge and high-quality serving CIIE for seven consecutive years.** As the sole strategic partner of the CIIE, the Bank continued to leverage its unique advantages in foreign exchange, foreign trade, cross-border finance and exhibition services, providing the CIIE with high-quality services for the 7th consecutive year, and hosting and supporting a number of important events. During the 7th CIIE, the Bank hosted the "Digital Finance Facilitates Global Economic and Trade Development" session of the Hongqiao Forum. In the national exhibition service area, it provided comprehensive financial services such as investment attraction, trade promotion and financial consulting to domestic and overseas exhibitors. It displayed an "international conference room" integrating national exhibition and global investment promotion, and showcased its various achievements in supporting global financial opening up and interconnectivity as well as its commitments to facilitating global economic and trade opening up and cooperation.

## Personal Banking

Leveraging its advantages in globalised operations, the Bank continually enriched its overseas personal banking products and services, providing customers with account management, savings, payment and settlement, electronic banking, and wealth management and private banking services in countries and regions such as Hong Kong (China), Macao (China) and Singapore. As at 31 December 2024, the Bank had established an overseas personal banking presence in over 30 countries and regions, serving over 7.50 million customers and recording consistent growth in customer size.

**Providing high-quality debit card, loan and wealth value management services.** The Bank issued debit cards in 19 overseas countries and regions, covering the products of UnionPay, Mastercard, VISA and other international card organisations, thus providing convenient personal banking services for overseas customers. The Bank continued to improve the refined management capacity to promote the differentiated development of overseas personal loan business. The Bank continuously enhanced its wealth management and private banking services in Hong Kong (China), Macao (China), Singapore, and other countries and regions to meet customers' wealth value management needs.

**Optimising financial services in the Guangdong-Hong Kong-Macao Greater Bay Area.** The Bank constantly improved its "Cross-boundary Wealth Management Connect" services, recording approximately 64.9 thousand subscribers for northbound and southbound "Cross-boundary Wealth Management Connect". It continued to improve its "Greater Bay Area Account Opening" service and continuously consolidated its product advantages.

**Enhancing cross-border credit card service capabilities.** The Bank provided a range of products and services that were customized to the unique needs of different customer groups. It launched a digital version of EMV (Euro-Mastercard-Visa) cards that supports real-time card opening upon application, to meet needs for online cross-border transactions such as tuition payments, and provide high-quality card services for overseas students. It issued the next-generation Great Wall MasterCard credit card to satisfy customers' demands for using a single card both at home and abroad.The Bank vigorously carried out a cross-border marketing campaign under the theme of "Global Wonderful". Targeting key customer groups such as overseas students and outbound Chinese tourists, it offered cashback for cross-border consumption. It also launched promotion activities for overseas merchants in collaboration with international card organisations like VISA, MasterCard and UnionPay. It strengthened the management of cross-border customer groups, precisely pushed promotional information, and carried out coordinated online and offline marketing campaigns during key cross-border peak periods. The Bank continued to enhance the brand influence of its foreign card acquiring business, and completed the construction of a foreign card acceptance environment for major international events, such as the China International Import Expo in Shanghai, the Canton Fair, the Summer Davos Forum in Dalian, etc.

**Improving online service channels.** The Bank promoted the new version of the BOC Mobile Banking app (International Version), updating the operation page, enriching its functions and significantly improving customer experience. It launched functions such as SoftToken and cross-border QR code interoperability in various countries and regions, and unveiled featured services such as Money Lock in Singapore, so as to meet customers' diversified demand for online services.

## Financial Markets Business

Upholding the principle of centralised management and integrated operations, the Bank adopted a globalised and integrated operation mode, actively anticipated changes in international financial markets, delivered robust overseas financial market services and continually enhanced the international brand influence of its financial markets business.

**Ensuring centralised management of its global investment operations.** The Bank strengthened its international market analysis and investment strategy research, seized opportunities in overseas markets, and steadily developed its overseas institutions' bond investment business. It strived to elevate liquidity levels and asset returns in its investment portfolio, carried out active management of scale and duration, and continuously strengthened risk prevention and control.

**Taking full advantage of its globalised and integrated trading operations.** Through its operations in Beijing, Shanghai, Hong Kong (China), London and New York, the Bank provided a 5x24 round-the-clock quotation and trading services network to meet the needs of clients in different time zones. It established financial market product systems covering exchange rates, interest rates, precious metals and commodities. The Bank's overseas trading centres continued to strengthen sales support and linkages with overseas institutions so as to complement the onshore market, enhancing quotation competitiveness and operational efficiency. Its overseas institutions continued to compete in local markets by harnessing their respective resource endowments, promoting coordinated regional development and enhancing service capabilities. The Bank actively provided RMB market-making and quotation services and engaged in RMB futures business in Singapore, South Korea and other countries and regions, thus serving national strategies and promoting economic development. It achieved real-time monitoring and processing of its global transaction exposure through global bookkeeping architecture and direct system connection, and adopted credit risk mitigation measures such as non-centrally cleared margin management to improve quotations and ensure alignment with international rules. Placing equal emphasis on growth and stability, it formulated a global integrated risk control system covering the Head Office (regional middle office) and domestic and overseas branches, and established a robust and efficient risk control network.

**Continuously strengthening the service capacity of its cross-border custody business.** The Bank provided high-quality services to support Chinese companies' "Going Global" initiatives. It successfully launched the largest QDII custody transfer project in the market this year, and became the first custodian bank of the Shanghai Stock Exchange to join the China-Germany Stock Connect. Meanwhile, the Bank actively facilitated "Bringing In" by attracting overseas investors. It provided custody services to a number of overseas sovereign institutions and assisted 24 overseas institutions in obtaining QFI qualification, ranking first in the market. The Bank's cross-border custody and overseas custody scale both ranking first among Chinese peers. In addition, the Bank was awarded "Best QDII Custodian Institution" by *The Asset*.

## Cross-border RMB Clearing Business

The Bank further consolidated its leading edge in cross-border RMB payments. It continually supported the global coverage expansion of CIPS, and ranked first in the number of CIPS direct participant and indirect participant relationships. The Bank accounted for 16 of the world's 34 RMB clearing banks authorised by the People's Bank of China, continuing to lead its peers. In 2024, the Group's cross-border RMB clearing transactions totalled RMB1,313.83 trillion, an increase of 40.05% year-on-year, maintaining its leading global position.

**Special column: With digital intelligence leading, co-creating a blueprint for digital currencies**

**Prototyping an e-MOP system to help Macao (China) develop a central bank digital currency (CBDC).** In 2022, the Bank was invited by the Monetary Authority of Macao (AMCM) to serve as the operating entity for the first phase of the e-MOP pilot and engage in the system's development. The e-MOP prototype system was officially unveiled at a ceremony on 12 December 2024, in which the prototype system was showcased and an e-MOP white paper was published. In the future, the Bank will continue to cooperate with AMCM in the planning and deployment of the e-MOP project, actively leverage its globalised advantages, make full use of its CBDC operational experience, and continue to optimise its e-MOP service, so as to contribute to the modernisation of Macao (China)'s monetary and financial system.

**Deeply engaging in mBridge to fulfil its responsibilities as a major bank.** As a new type of cross-border clearing platform based on CBDC, Multiple CBDC Bridge (mBridge) was jointly established by the Bank of Thailand ("BoT"), the Central Bank of the United Arab Emirates ("CBUAE"), the Digital Currency Research Institute of the People's Bank of China ("PBC DCI"), and the Hong Kong Monetary Authority ("HKMA"). The Bank actively participated in mBridge, carrying out trial digital currency remittance and foreign exchange transactions in RMB, Hong Kong Dollar, Thai Baht and UAE Dirham, and providing liquidity support for a number of participating peers. The Bank also recorded two further notable achievements. First, it assisted the CBUAE in realising the first cross-border payment in "digital-dirham", which was included in the *Joint Statement of the People's Republic of China and the United Arab Emirates*. Second, it signed the *Memorandum of Cooperation on Digital Currency* with First Abu Dhabi Bank (FAB), which was included in the achievement list at the "Third Belt and Road Forum for International Cooperation", and subsequently concluded the first mBridge transaction under the MoC framework.

**Steadily promoting e-CNY innovation and application to support the national strategy of developing China into a financial powerhouse.** The Bank promoted digital financial innovation in industrial chains, and achieved the targeted payment of digital currency smart contracts in supply chain trade financing via controllable and traceable transactions. It introduced the industry's first visible e-CNY hardware wallet which enables display of transaction amounts and account balances as well as dynamic QR codes. It optimised hardware wallet services for "e-CNY + communication" and "e-CNY + transportation", and improved payment convenience for short-term overseas visitors to China, further expanding scenarios and user groups. It launched "e-CNY investments", an exclusive wealth management service on its mobile banking e-CNY wallet that supports automated subscription and quick redemption, providing e-CNY wallet customers with interest-earning opportunities and high-quality wealth management services.

## Special Feature II: Continuously Enhancing Global Presence

The geographical distribution of the Bank's overseas institutions is listed below:

Unit: RMB million, except percentages

| | As at December 31, 2024 | | 2024 | |
|---|---|---|---|---|
| **Item** | **Total assets** | **% of total** | Pre-tax profits | % of total |
| Hong Kong (China), Macao (China) and Taiwan (China) | **5,711,254** | **68.83%** | 60,686 | 76.78% |
| Asia Pacific (excluding Hong Kong (China), Macao (China) and Taiwan (China)) | **937,302** | **11.30%** | 7,948 | 10.06% |
| Europe | **991,604** | **11.95%** | 7,280 | 9.21% |
| Americas | **626,877** | **7.56%** | 2,426 | 3.07% |
| Africa | **29,863** | **0.36%** | 698 | 0.88% |
| **Total** | **8,296,900** | **100.00%** | 79,038 | 100.00% |

Since the establishment of London Agency, its first overseas institution, in 1929, the Bank has expanded its overseas operations into 64 countries and regions across Asia Pacific, Europe, Americas, and Africa. The overseas institutions are committed to facilitating global trade, delivering premium global services to customers inside and outside China.

### Asia Pacific

Leveraging its business advantages in financial centres including Hong Kong (China), Macao (China) and Singapore, the Bank continued to deepen cooperation with local enterprises, provided cross-border financial services, and supported regional economic integration.

**BOCHK** is a banking institution controlled by the Bank and listed in Hong Kong. Based on the Group's advantages in globalised and integrated operations, BOCHK deeply cultivated the Hong Kong market, actively tapped into cross-border business opportunities, and pushed forward integrated development in Southeast Asia. It promoted green finance practices, improved the quality and efficiency of its comprehensive services, and facilitated cross-border financial development. It also focused on strengthening integrated synergies, promoted digital technology empowerment, and improved the quality of development.

*(For more information about BOCHK, please refer to the part about BOCHK and the results announcement of BOCHK for the same period.)*

**BOC Macau/Macau Branch** continued to consolidate and improve its position as a market leader. It supports Macao in growing its economy in a moderate and diverse way, and promotes development of comprehensive health care services through bank-hospital collaboration. In coordination with the Group, it launched the first cross-border RMB public and private wealth management products targeting the Greater Bay Area which provided comprehensive suite of high-quality, one-stop cross-border financial solutions for individual, corporate, and institutional clients in Macao and the Greater Bay Area. It debuted the "CNY-MOP Dual Currency Acquiring Business" in Macao New Neighbourhood.

**Singapore Branch** actively promoted financial cooperation between China and Singapore, supporting high-level opening-up and helping to promote RMB internationalisation. It served as the lead bookrunner and underwriter for the first Panda bond listed on the Singapore Exchange (SGX) and achieved record highs in RMB futures market-making volumes, further solidifying its position as a leading banking market maker for RMB futures at both SGX and HKEX. Additionally, the Branch actively strengthened capital market connectivity between China and Singapore and facilitated market access for overseas institutional investors into the Chinese market.

**Dubai Branch** actively promoted high-quality cooperation under the Belt and Road Initiative. The Branch hosted over 40 Chinese enterprises and over 70 Sovereign Wealth Funds from the Middle East countries for the special promotion event "Invest in China", aiming to build a bridge between China and the Middle East to create strategic investment opportunities. Dubai branch continually helped to promote the internationalisation of RMB. It was the first commercial bank in the United Arab Emirates with both offshore and onshore institutions directly participated in the Cross-Border Interbank Payment System (CIPS) and conducted the first corporate RMB loan business in the Middle East. In 2024, it was named the "Best Renminbi Bank in the UAE" by *The Asset*.

## Europe

The Bank has set up institutions in 19 countries in Europe, forming a well-established network. It continuously advanced regional integration and intensive development, provided services like trade financing, foreign exchange transactions and asset management for customers, while taking an active part in China-Europe economic and trade cooperation and supporting the Belt and Road Initiative.

**Bank of China (Europe) S.A.**, as the IPU (Intermediate Parent Undertaking) of Bank of China in EU, continuously enhanced its operations and management, and further improved its comprehensive service capabilities. It consistently promoted integrated operation of middle and back-office businesses inside the region, further strengthened its risk management, thereby achieving highly efficient operations. Through a new business collaboration mechanism, it has successfully advanced several benchmark projects. Focusing on key industries, it actively provided services to Chinese "going global" clients and made breakthroughs in key financial services such as export credit, foreign exchange transactions, agency payroll payment, and cross-border RMB settlement. Bank of China (Serbia) under its jurisdiction was appointed as the RMB clearing bank in Serbia. In 2024, the RMB clearing bank was inaugurated.

**London Branch,** as the first financial institution established by China's financial industry in an international financial centre, serves as a financial bridge in promoting China-UK cooperation. In 2024, to mark its 95th anniversary, London Branch launched the "95 Years Serving China-UK Business" celebration successfully. It creatively integrated its 95th anniversary celebrations into UK's important social events, such as the Lord Mayor's Show and City Giving Day in the City of London, further enhancing its brand presence and influence in the UK. It helped the Group to renew the *Memorandum of Understanding on Financial Cooperation on Green and Biodiversity* with the British government, helping to elevate the China-UK cooperation in green and sustainability fields to a higher level. London Branch hosted the "Global Green Transition and Sustainable Finance Forum", bringing Chinese expertise and momentum to the UK's low-carbon transition.

## North America

The Bank's institutions in North America provided customers with services such as cross-border RMB transactions, trade financing and foreign exchange transactions, supporting customers in achieving high-quality development with high-quality financial services.

**New York Branch** provided comprehensive financial services for customers, helping customers circulate funds, improve efficiency and control risks with safe and stable operation. As the designated RMB clearing bank in the U.S., it was named the "Best Renminbi Bank in the U.S." by *The Asset* for four years straight. As the Chairman unit of the China General Chamber of Commerce-USA for many years, it served the local community and fulfilled the social responsibility.

## Latin America

The Bank has institutions in Latin America, including Brazil, Chile, Argentina, Mexico and Peru, which supports China-Latin America economic and trade cooperation by providing services such as trade financing and cross-border RMB settlement services.

**Bank of China (Peru) S.A.** exerted all efforts to provide high-quality financial services for key Belt and Road projects. Chancay Port in Peru, invested by China COSCO Shipping Corporation Limited, is a national-level flagship project under the Belt and Road Initiative. Bank of China served as the mandated lead arranger of this project. It helped the Group to provide the services of syndicated loan and letter of guarantee, so as to ensure the successful inauguration of the port, by which highlighted its role of enhancing cooperation between the two countries.

## Africa

The Bank has institutions in 8 African countries, including South Africa, Zambia, Mauritius and Angola, formulating a relatively balanced network in Africa. It actively engaged in the projects under the Belt and Road Initiative in Africa, promoting economic and trade cooperation between China and Africa.

**Bank of China (Zambia) Limited** (hereinafter referred to as "BOCZ"), as the first Chinese commercial bank that entered Africa, has promoted the high-quality development of China-Africa economic and trade cooperation with quality financial services. 2024 marked the 60th anniversary of the establishment of diplomatic ties between China and the Republic of Zambia. As China-Zambia friendship ushered into a new historical period, BOCZ held the "Forum on RMB Settlement Facilitation to Support the High Quality Development of China-Zambia Cooperation", prudently and solidly driving RMB internationalisation.

## BOCHK

As a Hong Kong-listed bank controlled by the Bank, BOCHK capitalised on the Group's globalised advantages and comprehensive features to cultivate the Hong Kong market, actively tap into cross-border business opportunities, and push forward integrated development in Southeast Asia. It advanced green finance, bolstered digital empowerment and made every effort to improve development quality. As at the end of 2024, BOCHK's issued share capital was HKD52.864 billion. Its total assets amounted to HKD4,194.408 billion and net assets reached HKD342.230 billion. Its profit for the year amounted to HKD39.118 billion.

**BOCHK adhered to the concept of sustainable development and promoted the development of high-quality green financial services.** In line with market trends towards low-carbon transition, BOCHK developed its standards for green and sustainable finance and enriched its green and low-carbon financial product and service suite. It rolled out Hong Kong's first carbon footprint tracking function on its mobile banking platform to encourage customers to live green and low-carbon lifestyles, provided preferential loans to customers enrolling in the ESG finance courses so as to nurture financial personnel, and introduced an equity fund themed on China's net-zero transition, offering customers with green investment opportunities. It also provided sustainability-linked loans to corporate customers in the hotel and transportation industries to help them accomplish their green development targets. Acting as joint global coordinator, it assisted the HKSAR Government in issuing multi-currency digital green bonds. It also assisted the People's Government of Guangdong Province, the People's Government of Hainan Province, and the People's Government of Shenzhen Municipality to issue offshore RMB bonds in Hong Kong, facilitating the cross-border integration of green finance. In addition, it reinforced its operational carbon neutrality targets and implemented low-carbon operational and green office initiatives. It remained committed to achieving its goal of carbon neutrality operations by 2030 in an orderly manner. During the year, Bank of China Tower and Bank of China Building, two of Hong Kong's most iconic buildings, both became carbon neutral, making BOCHK the first bank in Hong Kong to achieve carbon neutrality in its owned properties.

**BOCHK enhanced service capabilities in its core market of Hong Kong and continuously improved the quality and effectiveness of its comprehensive services.** BOCHK strengthened collaboration with blue-chip enterprises and high-quality commercial and small and medium-sized enterprises (SMEs) in Hong Kong, and leveraged collaborative mechanisms among its integrated business platforms to render comprehensive financial services for corporate customers, resulting in a steady growth in the scale of corporate financial services. It expanded its supply chain finance business, maintaining its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market. BOCHK deepened cooperation with key customer groups in the cash pooling business, consolidating its leading position in the market. It advanced the development of its key businesses, including trade finance, payroll services, and payment and settlement services. It also improved its service level of inclusive finance business by implementing the nine supporting measures for SME customers jointly introduced by the

Hong Kong Monetary Authority (HKMA) and the Banking Sector SME Lending Coordination Mechanism, with the aim of supporting the continuous development of SME customers. Meanwhile, BOCHK also promoted the expansion and quality of its personal banking services by offering customised products and services for different customer segments. It enhanced the brand image of its family financial planning service by introducing the BOC Mastercard Debit Card, meeting customers' overseas spending and wealth management needs. BOCHK proactively developed its targeted brand for the young customer segment through innovative service channels and products, building competitive brand advantages. It also capitalised on opportunities arising from Hong Kong residents travelling abroad and to the Chinese mainland for retail consumption, achieving growth in consumer finance businesses such as credit cards, BoC Pay and BoC Bill. As at the end of 2024, it outperformed the local market in terms of customer deposits and loans while maintaining its non-performing loan ratio below market average.

**BOCHK maintained its market leadership in RMB business and expedited the development of cross-border financial services.** Seizing business opportunities brought about by financial service policies related to the Guangdong-Hong Kong-Macao Greater Bay Area, BOCHK strengthened internal and external collaboration to provide cross-border financial services that allow customers to access global expertise at any point of contact. It fully supported the 7th China International Import Expo's Matching Conference by arranging one-on-one business matchmaking for corporates, fostering mutually beneficial cooperation between Chinese and foreign enterprises. It enhanced its cross-border financial service suite and enriched its series of cross-border financial service solutions. BOCHK became the first commercial bank in Hong Kong to integrate its internal systems with the mBridge platform, enabling fully automated end-to-end processing abilities for inward and outward transactions. It optimised its offshore RMB clearing network, expanded the service coverage of the Cross-border Interbank Payment System (CIPS) and promoted offshore RMB usage. BOCHK Jakarta Branch, Phnom Penh Branch and Yangon Branch successively completed RMB clearing account opening procedures for several banking peers, while the Bank's RMB clearing bank in Cambodia commenced business. BOCHK once again successfully issued Panda bonds in the China Interbank Bond Market, providing investors with high-quality RMB assets and further expanding the opening up of China's bond markets, thus promoting RMB internationalisation in a prudent and steady manner.

**BOCHK consolidated its regional service advantages in Southeast Asia and focused on integrated and synergistic development.** BOCHK optimised its regional management and remained focused on integrated regional development. It adopted the organic combination of market-by-market strategies as the template for a differentiated management approach across its regional entities, so as to steadily promote the synergistic development of its globalised business. It captured opportunities arising from the nation's new development paradigm and industrial relocation, expanded business related to the development of Belt and Road and the new round of "Going Global" projects as well as large corporate customers in the region, and enriched its financial product and service suite in Southeast Asia. It also deepened its digital transformation and "mobile first" strategy in development. Phnom Penh Branch was authorised by Cambodia's central bank as the clearing bank for the cross-border scan-to-pay payment service of Alipay and the local payment system, Bakong, while BOCHK Vientiane Branch launched its scan-to-pay and real-time transfer services in support of LAPNet, the national payment network in Laos, becoming the first local 24-hour small-value real-time payment system. BOCHK enhanced the service level of its intelligent Global Transaction Banking (iGTB) platform to strengthen the diversified service capabilities of its Southeast Asian entities. In addition, it continued to improve its regional risk management mechanisms, stringently adhered to the risk "bottom line" to comprehensively strengthen its regional risk management capabilities.

**BOCHK embraced technology with the clear strategy of becoming a full-scale digital bank.** BOCHK implemented its digital transformation through data, business intelligence and ecological approaches, thus improving work mechanisms and workflows, promoting the integration of business and technology and strengthening its technological foundations. It promoted the integration of product and service suite to provide customers with high-quality financial products and services by introducing new features to its mobile banking applications. This included offering certificate of deposit trading, cheque deposit and precious metals account opening services, enabling customers to enjoy convenient banking services from the comfort of their homes. It also developed open and scenario-based financial service ecosystems. It allowed BOCHK ATM Card to be linked to the UnionPay app, enabling customers to make cross-border QR code payments in the Chinese mainland, Hong Kong, Macao and overseas. BOCHK became a founder member of the Project Ensemble Architecture Community established by the HKMA to participate in exploring the potential value of tokenised financial asset trading. It also contributed to the development of Hong Kong's financial services ecosystem by serving as a themed sponsor of Hong Kong FinTech Week 2024, discussing topics related to financial services and innovative technology with industry stakeholders. To provide customers with a seamless process experience, BOCHK collaborated with other participating banks in the HKMA's Interbank Account Data Sharing programme, to develop the new feature of consolidated view of interbank accounts for selected customers. It comprehensively upgraded the functions of its corporate mobile banking channel, iGTB MOBILE, thus improving SME customers' experience of mobile financial management. In addition, BOCHK nurtured digital-savvy talent and fostered an innovative culture, thus laying a solid foundation for its long-term development.

During the year, BOCHK was named "The Strongest Bank in Hong Kong" by *The Asian Banker* for the fifth consecutive year; "Bank of the Year in Hong Kong" by *The Banker* for the second consecutive year, "Best Bank – Hong Kong SAR (Domestic Category)" and "Biggest ESG Impact Bank – Hong Kong SAR (Domestic Category)" by *FinanceAsia,* "Best Renminbi Bank in Hong Kong, the Philippines, Indonesia and Cambodia" by *The Asset,* and "Hong Kong's Best Bank for Corporate Responsibility" by *Euromoney*.

**Special column: Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area**

The "Cross-boundary Wealth Management Connect" Scheme ("Cross-boundary WMC") allows eligible Chinese mainland, Hong Kong (China) and Macao (China) investors in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") to invest in wealth management products distributed by financial institutions in each other's markets through a closed-loop funds flow channel established between their respective financial institution systems. Launched in October 2021, "Cross-boundary WMC" has offered a new channel for cross-boundary asset allocation for GBA residents, demonstrated great significance in steadily promoting the interconnectivity of GBA financial markets as well as the integrated economic development of the GBA.

As one of the first pilot banks, the Bank actively contributed to the implementation of the national strategic plan for GBA development, and provided convenient, efficient and competitive cross-boundary investment services based on its well-established cross-boundary product system and extensive institution network in the GBA. In terms of investment products, the Bank adhered to the principle of "choosing the best" in selecting over 400 investment products, providing comprehensive and diversified choices for customers. In terms of service delivery, it provided convenient online service channels via its mobile banking platform, which supports functions such as qualification evaluation, cross-boundary remittance and investment transactions. In terms of customer services, more than 1,000 of the Bank's branches in the GBA formed a closely coordinated service network, offering wealth management consultancy and professional investment companion to each subscribed customer.

As at 31 December 2024, the Bank's "Cross-boundary Wealth Management Connect" scheme had approximately 64.9 thousand subscribers and a cumulative cross-boundary remittance volume of RMB44.450 billion, maintaining its leading position in the market. In the future, the Bank will continue to leverage its advantages in globalised operations, optimise customer experience, provide superior cross-boundary asset allocation services for residents in the GBA, and continually contribute to the high-quality development of the GBA.

# Comprehensive Operation

As the first major commercial bank in the Chinese mainland to develop comprehensive operations, the Bank engages in such fields as investment banking, asset management, insurance, direct investment, leasing and consumer finance. With a focus on serving the real economy, the Bank pursued progress in the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. Giving full play to its traditional business strengths, it advanced the high-quality development of its comprehensive operation companies.

In 2024, the Bank further optimised the synergistic mechanisms between the Bank and its comprehensive operation companies, and consolidated its regional coordination platform for comprehensive operations. It improved the process for prioritising potential collaborative projects, and carried out a comprehensive series of collaborative matchmaking activities. A two-way business collaboration plan was formulated for the Bank and its comprehensive operation companies, in order to stimulate synergistic vitality. The Bank consistently refined the Group-wide management and control mechanism of its comprehensive operations, established a risk penetration management system for the Group's comprehensive operations, and improved its full-chain performance management system for comprehensive operation companies. It standardised the corporate governance structure of its comprehensive operation companies, strengthened performance management of the directors and supervisors assigned to them, and continuously improved the quality and efficiency of Group-wide management.

## Investment Banking Business

### BOCI

The Bank is engaged in investment banking business through BOCI. As at the end of 2024, BOCI had issued share capital of HKD3.539 billion, total assets of HKD71.548 billion and net assets of HKD23.148 billion. In 2024, BOCI realised a profit for the year of HKD1.390 billion.

As an overseas investment banking platform based in Hong Kong (China), BOCI serves the investment banking business needs of the Group's "Going Global" and "Bringing In" clients. BOCI continuously consolidated its competitiveness and market position in Hong Kong. It focused on serving key areas such as technology finance and green finance to enhance the quality and efficiency of its support for the real economy. By providing professional and diversified investment banking services, BOCI helped the Bank maintain a leading position among Hong Kong peers. During the year it underwrote 18 green and sustainable bonds. Acting as the sole ESG rating advisor, it assisted a client in obtaining a "low-risk" ESG rating from Morningstar Sustainalytics for the second consecutive year and an ESG entity rating of "2" from Sustainable Fitch for the first time, setting an industry benchmark. BOCI actively explored innovative products and issued 24 digital structured notes using blockchain, promoting digital transformation and RMB internationalisation. It accelerated the transformation of its traditional brokerage business into a wealth management business, meeting clients' wealth management needs through diversified products. The number of wealth management clients increased by approximately 9% compared to the end of last year. By setting up an exclusive Employee Stock Ownership Plan (ESOP) business platform, BOCI provided professional services to around 95,000 employees of nearly 68 companies, managing various options with a total value of approximately HKD90.0 billion. It also enhanced its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOCI, ranked fifth and second respectively in the Hong Kong Mandatory Provident Fund (MPF) and Macao Pension Fund markets. It also launched its second ESG product, the "W.I.S.E.-Nasdaq China New Economy Companies ESG Index Tracker".

**BOCI China**

BOCI China is engaged in securities-related business in the Chinese mainland. As at the end of 2024, the registered capital of BOCI China was RMB2.778 billion.

BOCI China deepened its advantages in "investment banking + commercial banking", "investment banking + investment" and "domestic + overseas" through technological empowerment, promoting business transformation to support the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, as well as the building of a financial powerhouse. It focused on the technology finance sector to explore a differentiated development path. BOCI China empowered new quality productive forces by increasing the supply of patient capital, and successfully launched the first fund of the BOC Sci-Tech Innovation Master Fund, acting as the initiator and manager. In 2024, BOCI China ranked 12th in sci-tech innovation corporate bond underwriting and successfully underwrote the market's first "AA+" rated sci-tech innovation corporate bond from a specialised and sophisticated SME, as well as the first e-CNY "Belt and Road" corporate bond. BOCI China actively responded to regulatory guidance and pursued mergers and acquisitions business, winning bids for 5 M&A projects. It seized policy opportunities to serve corporate shareholders and entrepreneurs, and launched the first securities account for major shareholders to obtain refinancing to increase their shareholdings. BOCI China made efforts to strengthen the proactive management capabilities of its asset management business and continued to improve its customer service capabilities. It belongs to the top tier of the industry in terms of total asset management scale and ranks the second in terms of scale of non-money-market mutual funds among the securities industry. Focusing on the wealth management needs of personal customers, BOCI China developed a customer-centric product system, refined its comprehensive service process for wealth management, and improved its investment advisory service capability.

BOCI China received numerous awards during the year, including "Best Local Investment Bank" from *New Fortune*, the "2024 Junding Award for Bond Financing in China" and "2024 Junding Award for Social Responsibility Investment Bank in China" from *Securities Times.* It also received the "2024 Junding Award for Comprehensive Wealth Management institution in China" from *Securities Times* and "Model Asset Management Securities Company" from *ChinaFund* for its asset management business, and the "Most Promising Investment Advisory Team" award from *New Fortune* for its retail brokerage business. BOCI Futures, a subsidiary of BOCI China, received the "Award for Excellent Members" from Shanghai Futures Exchange, and a Gold Medal in "Comprehensive Award for Excellent Members" from China Financial Futures Exchange.

*(Please refer to the annual report of BOCI China for a full review of its business performance and related information.)*

## Asset Management Business

### BOCIM

The Bank is engaged in fund management business in the Chinese mainland through BOCIM. As at the end of 2024, BOCIM had registered capital of RMB100 million, total assets of RMB6.482 billion and net assets of RMB5.537 billion. In 2024, its profit for the year reached RMB790 million.

BOCIM steadily expanded its asset management business, maintained sound internal control and risk management, and constantly improved its brand and market reputation. By rigorously focusing on investors' interests, BOCIM strengthened its investment and research capabilities, refined product management and enhanced marketing and post-investment support. BOCIM optimised new fund issuance and launched 10 funds during the year, including BOC ESG-themed funds, the BOC SSE STAR Market 50 Index Fund, and the BOC CSI Central SOE Dividend 50 Index Fund. BOCIM established a branch in East China to serve the integrated development of the Yangtze River Delta, building its brand as a "Global Manager of Global Assets". Its Singapore subsidiary continued to operate smoothly. As at the end of 2024, BOCIM's AUM stood at RMB703.029 billion. Specifically, its publicly offered funds reached RMB618.797 billion and its publicly offered funds excluding money market funds reached RMB316.428 billion.

### BOC Wealth Management

The Bank is engaged in wealth management business in the Chinese mainland through BOC Wealth Management. BOC Wealth Management's business includes the issuance of publicly offered wealth management products, the issuance of privately offered wealth management products, wealth management advisory and consulting services, and other asset management-related business. As at the end of 2024, BOC Wealth Management had a registered capital of RMB10.000 billion, total assets of RMB19.360 billion and net assets of RMB18.853 billion. In 2024, BOC Wealth Management realised a profit for the year of RMB1.963 billion.

BOC Wealth Management provided greater support for major national strategies, key areas and weak links, took concrete and diligent measures to support the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, and promoted the high-quality development of its wealth management business. To advance Chinese modernisation, it established an investment research system for serving the real economy, intensified its efforts to identify investment opportunities in new quality productive forces, and facilitated the construction of a modernised industrial system. It developed a multi-asset and multi-strategy wealth management product system comprising themed products, with cross-border products serving as a key feature alongside green finance, inclusive finance and pension finance products. These promoted themed asset investment while simultaneously improving the quality and efficiency of its services for the real economy. Furthermore, consistent efforts were made to consolidate its customer base, expand sales channels and enhance its multidimensional sales capability. In addition, it strengthened its comprehensive risk management system, promoted technological empowerment in business development and risk management, adopted “bottom line” thinking and firmly guarded against risks. As at the end of 2024, its AUM reached RMB1.88 trillion.

## Insurance

### BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong (China) through BOCG Insurance. As at the end of 2024, BOCG Insurance had an issued share capital of HKD3.749 billion, total assets of HKD9.675 billion and net assets of HKD4.969 billion. In 2024, BOCG Insurance recorded insurance revenue of HKD2.916 billion and profit for the year of HKD417 million.

BOCG Insurance helped to consolidate and enhance Hong Kong’s position as an international financial centre, striving to build a high-tech, market-leading regional property insurance company with commercial banking characteristics. Focusing on the “five major tasks” of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance, BOCG Insurance comprehensively aligned with market benchmarks to implement its insurance strategy and business coordination mechanism and promote product development and service upgrading. Based on the Group’s integrated platform, it realised customer expansion through multiple channels, further broadening its customer base. It leveraged its insurance expertise to meet the overseas insurance needs of the Group’s customers. It promoted market connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area, recording breakthroughs in cross-border insurance services. Focusing on the development of new quality productive forces, it promoted in-depth digital transformation to accelerate process optimisation and enhance product innovation, thereby improving the consumer experience. Embracing ESG strategies, BOCG Insurance promoted green office practices and supported green finance initiatives. It maintained an appropriate balance between growth and security, effectively prevented and defused financial risks, and firmly safeguarded the “bottom line” of regulatory compliance.

**BOC Life**

The Bank is engaged in life insurance business in Hong Kong (China) through BOC Life. As at the end of 2024, BOC Life's issued share capital was HKD3.538 billion. Its total assets amounted to HKD191.293 billion and net assets amounted to HKD6.542 billion. Its profit for the year was HKD1.391 billion.

BOC Life remained committed to pursuing progress while maintaining stability and advancing high-quality development. It maintained a leading position in the Hong Kong life insurance market, ranking among the top tier for RMB insurance and e-channel businesses. BOC Life fully leveraged its multi-channel advantages to expand its insurance business, and collaborated with business units within BOCHK to launch various marketing and promotional activities. It continued to expand its brokerage partnerships across different brokerage channels, and strengthened collaboration with brokerage firms with premier banking backgrounds. BOC Life consistently strengthened its high-quality tied agent workforce, attracting talent from the Chinese mainland as well as outstanding agents in Hong Kong. Balancing quality and quantity in business development, it targeted different channels and customer segments to innovate and optimise its product strategies. It offered 5 additional currency options for its "Glamorous Glow Global Whole Life Insurance Plan", thereby enriching its product portfolio to meet customers' needs. In developing a retirement business ecosystem, BOC Life leveraged the Bank's network and national exhibitions to engage with the Chinese mainland's retirement industry. It signed strategic partnership agreements with relevant enterprises, kick-starting its global sojourn living and wellness strategic layout and initiating its global retirement strategy. It also adopted "global sojourn" as a key initiative and collaborated with BOCHK to launch the "RetireCation" experience programme. Taking the lead in establishing the "Assure2gether" Alliance, BOC Life assisted customers in need to pay attention to the early prevention of ageing-related health risks. As the title sponsor of the BOC Life 9th Golden Age Expo and Summit, it supported the development of the silver economy in Hong Kong, reinforcing its brand image as an "elderly care expert". It continued to invest in developing its comprehensive wellness ecosystem, acquiring new customer segments for the Bank's business and enhancing customer loyalty through diverse health rewards and value-added services.

**BOC Insurance**

The Bank is engaged in property insurance business in the Chinese mainland through BOC Insurance. As at the end of 2024, BOC Insurance had registered capital of RMB4.535 billion, total assets of RMB12.258 billion and net assets of RMB5.336 billion. In 2024, it realised insurance revenue of RMB6.198 billion and a profit for the year of RMB260 million.

BOC Insurance served the country's overall development by tapping into the full potential of property insurance, helping the insurance industry to fulfil its role as a "shock absorber" for the economy and a "stabiliser" for society. BOC Insurance leveraged its capital strength to enhance its insurance offerings, providing support to key regions, areas, industries, enterprises and construction projects, and playing an active role in modernising China's governance system and capacity. It optimised risk reduction efforts, improved emergency claims handling mechanisms, and implemented a "prevention-rescue-reduction-claim" process. By following a tailored and specialised development path, BOC Insurance maintained its competitive advantages in customer conversion, credit insurance, cross-border business and other fields, enhancing its professional brand influence and market competitiveness. Meanwhile, it dynamically improved its comprehensive risk management system and continuously strengthened risk control and regulatory compliance. In 2024, it provided insurance coverage totalling RMB42.61 trillion. Specifically, BOC Insurance had the largest market share in the tariff guarantee insurance business, with the tax guarantee amount provided to enterprises reaching RMB45.134 billion. Insurance coverage for overseas projects reached more than RMB250.0 billion, and the premium from its participation in inclusive commercial medical insurance, inclusive comprehensive homeowners insurance, and catastrophe co-insurance projects exceeded RMB600 billion. In 2024, it provided 1.8363 million transactions of claim settlement, and paid compensation of RMB3.770 billion.

BOC Insurance maintained an "A-" credit rating and "stable" outlook from Standard & Poor's for the 11th consecutive year. It won the "Belt and Road Excellent Cooperation Award" for insurance services for the third consecutive year, and received the "2024 New Quality Productive Forces Financial Services Model" in the Xinhuanet 2024 Outstanding Practice Cases for its services to high-tech enterprises.

**BOC-Samsung Life**

The Bank is engaged in life insurance business in the Chinese mainland through BOC-Samsung Life. As at the end of 2024, BOC-Samsung Life had registered capital of RMB2.467 billion and total assets of RMB124.874 billion. In 2024, BOC-Samsung Life recorded gross written premiums and premium deposits of RMB31.425 billion and a profit for the year of RMB1.627 billion.

BOC-Samsung Life made great efforts to improve the accessibility and convenience of its services and strengthen consumer rights protection. It adopted a series of measures to improve the quality and efficiency of its operations and services, achieving a significant drop in customer complaint and cancellation rates and a remarkable improvement in claim settlement efficiency. Specifically, it proactively adopted a new product pricing mechanism, and swiftly transitioned to a new product line. BOC-Samsung Life strengthened its training services by integrating them more deeply into the marketing activities of its wealth management and private banking business in a bid to facilitate channel expansion and empower transformation and development. It continued to enrich its entire product line, and launching "BOC Enjoying Life (Supreme) Whole Life Insurance", "BOC Wenying No.3 Endowment Insurance", "BOC Tiancai No.2 Annuities Insurance", "BOC Xinglebao Cancer Insurance" and other featured products. It provided financial services to the real economy and invested RMB8.790 billion in green sectors and technology sectors. BOC-Samsung Life continuously promoted digital transformation, achieved a steady rise in online migration of its businesses year-on-year, and completed the automation of its self-service processes and transformation of its core business system architecture, thereby improving service quality and efficiency and enhancing business carrying capacity.

BOC-Samsung Life was named "Excellent Life Insurance Company" for the sixth consecutive year in the Golden Censer Prize organised by *National Business Daily*. Its public welfare unit was awarded the "Best Social Responsibility Case 2024" prize of Jinnuo Awards at the 8th Financial Brand Influence Forum, "Typical Cases of Insurance Industry Supporting Rural Revitalisation 2024" by *Tsinghua Financial Review*, and "Excellent Corporate ESG Rural Revitalisation Case" by Xinhuanet, and was listed in the "Annual Life Insurance Product" and "Annual Medical Insurance Product" categories in the Gold Reputation Awards by *China Banking and Insurance News*.

## Investment Business

### BOCG Investment

The Bank is engaged in direct investment and investment management business through BOCG Investment. BOCG Investment's business scope includes enterprise equity investment, fund investment and management, real estate investment and management, and special situations investment. As at the end of 2024, BOCG Investment recorded issued share capital of HKD34.052 billion, total assets of HKD133.459 billion and net assets of HKD75.051 billion. In 2024, BOCG Investment recorded a profit for the year of HKD1.018 billion.

BOCG Investment closely followed national strategies and the Group's plans to accelerate the pace of its transformation and development. In line with the development of Hong Kong as an international innovation and technology hub, it actively invested in technology and innovation sectors. To help expand high-standard opening up, it explored investment opportunities in countries along the Belt and Road, with a focus on South Asia. It also worked to strengthen its comprehensive risk management system and enhance its risk control capabilities. During the year, it successfully issued a total of RMB4.5 billion in Panda bonds to establish more diversified funding channels.

### BOC Asset Investment

The Bank is engaged in debt-for-equity swap and related business in the Chinese mainland through BOC Asset Investment. As at the end of 2024, BOC Asset Investment had registered capital of RMB14.500 billion, total assets of RMB93.593 billion and net assets of RMB26.903 billion. In 2024, it realised a profit for the year of RMB3.680 billion.

Committed to the national strategy of expanding domestic demand and deepening supply-side structural reform, BOC Asset Investment conducted debt-for-equity swap business in support of the high-quality development of the real economy. Adhering to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, it implemented projects in the technology finance sectors and green finance sectors. Steadily advancing the pilot business of AIC (asset investment companies) equity investment, BOC Asset Investment promoted the establishment of equity investment funds in pilot cities including Beijing, Shanghai, Hangzhou and Xi'an. As at the end of 2024, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB255.870 billion, representing an increase of RMB21.392 billion during the year.

## Leasing Business

### BOC Aviation

The Bank is engaged in the aircraft leasing business through BOC Aviation. It is one of the world's leading aircraft operating leasing companies and is the largest aircraft operating leasing company headquartered in Asia, as measured by value of owned aircraft. As at the end of 2024, BOC Aviation had issued share capital of USD1.158 billion, total assets of USD25.053 billion and net assets of USD6.363 billion. In 2024, it achieved a record profit for the year of USD924 million, an increase of 21% compared with the prior year.

BOC Aviation continued to implement its proactive business strategy and steadily strengthened its position in the aircraft leasing industry, achieving sustainable growth. Actively supporting the Belt and Road Initiative, it had leased 52% of its aircraft to Belt and Road countries and regions as at the end of 2024. Closely tracking customer demand, BOC Aviation took delivery of 38 new aircraft as it continued to expand its owned fleet. These aircraft were all delivered on long-term leases. During 2024, BOC Aviation signed 118 leases for aircraft while steadily expanding its business. Its fleet is currently on lease to a total of 92 customers in 48 countries and regions. The Company consistently sought to optimise its asset structure and improve its sustainable development. It sold 29 owned aircraft during 2024, leaving it with an average owned fleet age of 5 years (weighted by net book value), one of the youngest aircraft portfolios in the aircraft leasing industry.

*(Please refer to the annual report of BOC Aviation for a full review of its business performance and related information.)*

### BOCL

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOCL. As at the end of 2024, BOCL had registered capital of RMB10.800 billion, total assets of RMB69.983 billion and net assets of RMB12.116 billion. In 2024, BOCL realised a profit for the year of RMB201 million.

BOCL focused on its primary responsibilities and core businesses, remained fully committed to serving major national strategies, key areas and weak links, and supported the high-quality development of the real economy. As at the end of 2024, BOCL had conducted a total of RMB117.585 billion in leasing business, with the scale of its leasing assets in key industries, including smart transportation, renewable energy, advanced manufacturing and new materials, accounting for 85.98% of the total. It also served green mobility, new energy power generation, solid waste disposal and air quality management with green financial leasing accounting for 48.55% of total leasing assets. BOCL focused on supporting intelligent technology upgrades and equipment renewals, adhering to the principal of combining industry and finance to drive innovative development and empower new quality productive forces. BOCL also accelerated the expansion of its aviation and shipping business segments, supported in more than 20 aircraft and 40 ships, helping the national cargo transportation and shipbuilding sectors while meeting the needs of aviation and shipping customers with high-quality and efficient services.

BOCL was honoured with the "Best ESG Leasing Enterprise" award in the 7th China Financial Leasing Taking Off Award in 2024.

## Consumer Finance

### BOC Consumer Finance

The Bank is engaged in consumer loan business in the Chinese mainland through BOC Consumer Finance. As at the end of 2024, BOC Consumer Finance's registered capital was RMB1.514 billion, total assets were RMB79.151 billion and net assets were RMB9.086 billion. In 2024, it recorded a profit for the year of RMB45 million.

BOC Consumer Finance is committed to a people-centred development philosophy, which is integrated into its business development and customer service approach. It fully supported the expansion of domestic demand and consistently boosted the recovery in consumption. It also accelerated the in-depth transformation of its business model and customer structure, achieving steady growth in business scale. As at the end of 2024, its outstanding loans stood at RMB78.405 billion.

# Service Channels

Focusing on customer experience and leveraging digital transformation as a key driver, the Bank accelerated the transformation and upgrading of all service channels, created online channels with more ecosystem integration ability and offline channels with more value and vitality, and cultivated an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

## Online Channels

Tapping into the potential of technological empowerment, the Bank vigorously expanded its online channels to rapidly develop its online businesses. In 2024, its e-channel transaction volume reached RMB350.77 trillion.

**For corporate banking customers, the Bank continued to optimise e-channel transaction functions to build a comprehensive financial services portal.** The Bank continuously improved its domestic corporate online banking functions by introducing new functions such as foreign exchange trading, mixed payroll services, financial company deposits, local finance self-service counter, new-generation bill pool, dealer trade financing, over-the-counter bonds, digital currency on-chain payment, among others, and optimising over 90 basic high-frequency services. The coverage of its overseas corporate online banking services continued to expand. Leveraging its global integrated corporate online banking platform, it supported the online global fund management needs of Chinese "Going Global" enterprises, enriched its online functions and improved customer experience. The Bank promoted product innovation in internal management, external operation, industry and government affairs management scenarios for corporate customers, and continued to enrich the services embedded in "BOC Corporate E-link", serving upstream and downstream long-tail client groups via the platform.

**For personal banking customers, the Bank continuously upgraded its mobile banking platform and provided one-stop convenient financial services.** The Bank optimised basic functions and services by launching national housing provident fund query service, message prompt assistant, and other features. It also upgraded page display to enhance the customer experience. To enrich its wealth management services, the Bank introduced the “Wealth Management Night Fair” service, “Wealth Management by Investment Term” and “e-CNY Investments”, while continually optimising the “Wealth Management Cart” feature to help customers preserve and build up their wealth. The Bank continuously improved the digital risk control and anti-phishing monitoring capabilities of its online channels, identifying and shutting down a total of 8,197 phishing websites and app download links in 2024. Its “Cyber Defence” smart risk control and prevention system monitored 9.362 billion online transactions, a year-on-year increase of 8.60%. As at the end of 2024, the number of registered mobile banking customers reached 293.56 million, while monthly active customers totalled 97.93 million, making mobile banking the Bank’s most active trading channel.

The “BOC Corporate E-link” product was honoured as a “Demonstration Case of Service Model with Development Potential” at the 2024 China International Fair for Trade in Services. Its mobile banking platform was recognised with multiple awards, including “Mobile Banking with Best User Experience” in the 2024 China Financial Value Ranking, “Best User Experience Award for Mobile Banking” in the 2024 Digital Finance Gold Award issued by www.cebnet.com.cn, “Outstanding Mobile Smart Service Bank of the Year” from *The Economic Observer,* and “Best Digital Ecosystem and Platform Project in China” from *The Asian Banker*.

## Offline Channels

The Bank continually optimised outlet layout and pushed forward outlet transformation and upgrading. It accelerated the construction of featured outlets. Based on local conditions, it built featured outlets focused on technology finance, green finance, inclusive finance, and pension finance. It also refined resource allocation for featured outlets in terms of products and services, business models and software and hardware, to enhance the financial service capabilities of its offline channels with regard to the “five major tasks” of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. To better serve the people’s livelihood, the Bank improved the outlets’ intelligent services, including the promotion of a smart screen system in lobbies, the provision of more local government services through smart counters, the instant issuance of third-generation social security cards, as well as wider coverage of personal pensions, quick payments and other services. To improve the Bank’s payment services, all ATMs now support foreign card cash withdrawals. In addition, small change deposit and withdrawal services have been made available in key locations. The Bank also expanded the service scope of its smart counters for overseas visitors to China, enhancing service convenience. It expanded its intensive operations by successfully completing the centralised processing of its bank confirmation request business and promoting the intensive operation of its enterprise annuity account management business, resulting in consistently enhancing its service efficiency and a reduction in branch workloads.

As at the end of 2024, the Bank’s commercial banking institutions in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) totalled 10,279. The number of other institutions in the Chinese mainland totalled 685, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 543.

## Special Feature III: Accelerating Fintech Innovation

The Bank closely monitored revolutionary trends in technological advancement and explored practical scenarios and innovative paths for fintech to empower business development. At the end of 2024, the number of employees in the IT line of the Bank stood at 14,940, accounting for 4.78% of the total, of which 11,606 were employees of domestic commercial banks, accounting for 4.24% of the total. The Bank invested RMB23.809 billion in information technology (according to Chinese mainland regulatory statistical standards) during the year, which represented 3.76% of its operating income.

**Consolidating the foundations.** The Bank continued to improve its new-type information infrastructure, primarily based in Beijing, Shanghai, Horinger in Inner Mongolia, and Hefei in Anhui, successfully putting the first phase of Horinger Fintech Park into operation in Inner Mongolia and completing the main structure of the second phase of Hefei Park in Anhui. A distributed service network has been established, covering the whole country and extending globally. The Group recorded 38.0 thousand servers for its cloud platform. It continuously upgraded its basic technology platform, advancing the unification of architectures, processes and standards. As at the end of 2024, 326 applications had been connected to its distributed technology platform, 153 applications to its front-end technology platform, and 157 applications to its big data technology platform.

**Accelerating scientific and technological innovation.** The Bank deepened the application of new technologies such as AI and privacy computing, introducing over 900 business scenarios in 2024. It leveraged enterprise-level robotic process automation (RPA) to reduce the workload of primary-level institutions, deploying RPA in over 3,000 scenarios and executing an average of more than 200 thousand tasks per month. The Bank continuously enhanced its image-recognition capabilities, supporting the recognition of over 200 bills and certificates. Focusing on computing power, algorithms and data, the Bank established a dedicated team and accelerated the innovative application of large model technology. Its intelligent R&D scenario recorded over 3,600 users, 1.70 million usages and more than 1.33 million lines of code generated on average per month. The Bank advanced applications in financial scenarios such as automated credit reporting, remote banking service support and marketing assistant. Through the comprehensive application of AI and other cutting-edge technologies, the Bank enhanced efficiency by over 80 thousand person-months in various areas, including operational management, precision marketing, and technological R&D. It continued to explore the possibilities of quantum technology and conducted cutting-edge research on quantum-resistant cryptography verification and quantum wireless communication pilot projects. In 2024, six of the Bank's fintech achievements were recognised with the PBOC Fintech Development Award, with its "Globalised Integrated Compliance Control Platform Project" winning first prize. The Bank was also granted 1,392 new patents, bringing its total patents to 3,547.

**Reinforcing public infrastructure capabilities.** The Bank established a digital marketing platform and launched six modules, including the strategy centre, activity centre and benefits centre. It continuously enriched personal customer labelling and piloted a range of marketing tools and activities to enhance personalised services and precision marketing. The Bank developed new intensive transaction, remote verification and cash operation modules, enabling the integrated management of 45 businesses through its platform. It further leveraged OCR and other technologies to enhance the efficiency of remote verification. The Bank introduced the "BOC Home+" app, a new mobile office portal that facilitated a scenario-based, one-stop standardised office process, driving deeper integration and process restructuring within the Group's mobile office services while achieving unified access and experience.

**Fostering a strong product innovation culture.** Focusing on key areas such as inclusive finance, pension finance and cross-border finance, the Bank introduced 17 new products, including "Xurongtong", contributing to a continued growth trend in the number of products offered. It held its 3rd open competition innovation campaign, producing 64 innovation achievements and effectively resolving challenges related to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, thus improving its cross-border services and supporting digital transformation. The Bank carried out "Innovation Replication" campaigns and established the "Achievement Supermarket", where 49 outstanding achievements from primary-level institutions were rapidly implemented and 9 of them widely popularised. These achievements spanned precision marketing, customer service, cross-border services and intelligent risk control, significantly driving business growth and boosting customer service capabilities.

Meanwhile, the Bank is engaged in financial technology innovation, software development, platform operation and technical consulting services through BOC Financial Technology. As the comprehensive service base, scenario-based ecosystem construction platform, innovation mechanism and unified output channel of the Group's technology system, BOC Financial Technology was deeply integrated into the Group's comprehensive service system to support the Group's digital financial development. By empowering the Group's comprehensive operations, BOC Financial Technology fully implemented the market-by-market IT development plans for the Group's comprehensive operation companies, promoted the construction of the Group's "three platforms and one service" comprehensive operations sharing platform, and helped improve the Group's comprehensive technological support capacity. BOC Financial Technology devoted great efforts to building a scenario-based ecosystem of products, including Fuxing No. 1 Smart Party-building Platform, the Enterprise Treasurer System, and the IntelliUrban BuildTech Solutions System, thus helping to improve its digital services offering for industrial customers. In addition, it was dedicated to innovative technology solutions. It developed an integrated service solution of "platform + data + model" for "BOC Technology Innovation+" to serve the development of new quality productive forces. Furthermore, it focused on IFRS 17 (the new accounting standard for insurance contracts) and anti-money laundering products to continuously expand external cooperation, with the aim of providing mature, stable and highly professional system support to customers and expanding the Group's "finance + technology" brand influence.

## Special column: Leading with technology to accelerate digital transformation across all sectors

### "BOC Cross-border E-Business Express": helping to stabilise and boost the quality of foreign trade through industry-technology integration

Recent years have seen the rapid development of new forms of foreign trade such as cross-border e-commerce, which have become increasingly important for stabilising and boosting the quality of foreign trade. The Bank fully leveraged its strengths in foreign exchange and foreign trade to create new digital cross-border settlement products. For overseas payment institutions and cross-border e-commerce platforms, the Bank launched the settlement product series "BOC Cross-border E-Business Express – Tri-party Express, Overseas Express and E-Commerce Express". With a service offering covering a range of goods and services trade scenarios, including cross-border B2C e-commerce, cross-border B2B e-commerce and overseas study and tourism, the Bank leads the market in terms of product range, scenario coverage and operational scale.

Based on the emerging concept of open banking, "BOC Cross-border E-Business Express" directly integrates with cross-border e-commerce operators through standardised interfaces, enabling batch and online processing of cross-border e-commerce settlement transactions. This enhances trading efficiency and reduces trading costs through digital means. Since its launch, "BOC Cross-border E-Business Express" has been highly praised across society, and was awarded second prize at the 2023 PBOC Fintech Development Awards. In 2024, "BOC Cross-border E-Business Express" recorded a trading volume of RMB813.327 billion (including RMB742.265 billion in cross-border RMB transactions), marking a year-on-year increase of 39.82% and ranking first in the market. It partnered with 51 customers, covering more than 80% of industry leaders, successfully establishing itself as the preferred banking partner for new forms of foreign trade and contributing to BOC's role in the high-quality development of foreign trade.

### Leveraging data-driven insights and precision profiling to accelerate tech enterprise growth

To address the pain points in banking services for technology innovation enterprises, such as challenges in assessment, complex risk control, and long cycles, the Bank launched the "BOC Technology Innovation +" service brand. To meet the unique requirements of local business development, the Bank creatively developed the innovative "BOC Science and Innovation Quantum System" ("Quantum System") in the Guangdong-Hong Kong-Macao Greater Bay Area. Leveraging cutting-edge technologies such as AI and privacy computing, and based on the classification of 16 primary industries and 28 industrial clusters, the "Quantum System" conducts comprehensive assessment of the enterprises in terms of technological competitiveness, funding resources and policy alignment, to first identify enterprises that stand out in terms of quality and to provide comprehensive financial services for early-stage and small-scale tech enterprises with competitive technology products and high growth potential, across industrial chains and throughout the whole life cycle. So far, the Bank has built "digital twin" models for 0.12 million tech enterprises in Shenzhen based on its "customer-specific profiles and strategies" approach, cumulatively serving over 10 thousand technology enterprises in Shenzhen, and recording a growth of nearly RMB160 billion in outstanding technology finance loans.

**Exploring the new mode for smart management of long-tail personal customers through precise marketing**

In recent years, commercial banks have undergone significant shifts in their approach to financial services. In the face of the long-tail customers that feature a large size, extensive distribution and diverse demands, commercial banks' traditional strategy of homogeneous customer management has proven inadequate to meet their operational demands. To address the pain points in managing long-tail customers, the Bank's Guangdong Provincial Branch has set up a smart customer service centre. A smart operation mid-office system has been developed at an accelerated pace, using big data, AI, and other technologies, which empowers the branch to respond precisely to user demands and execute an average of over 200 service strategies. The Bank built a diverse channel matrix for customer reaching, and continued to optimise service strategies, reaching an average of over 50 million customers per month. The Bank enhanced its customer service and experience by leveraging a combination of "AI outbound calls + human-assisted calls", ensuring seamless delivery of service content to users through WeChat Work and other cost-effective channels using intuitive formats such as pictures, texts, and links. A full-stack smart operation platform was established, integrating customer screening, product matching, channel distribution, customer reach, effect evaluation and strategy consolidation. As a result, the average monthly active customer base expanded to 2 million in 2024.

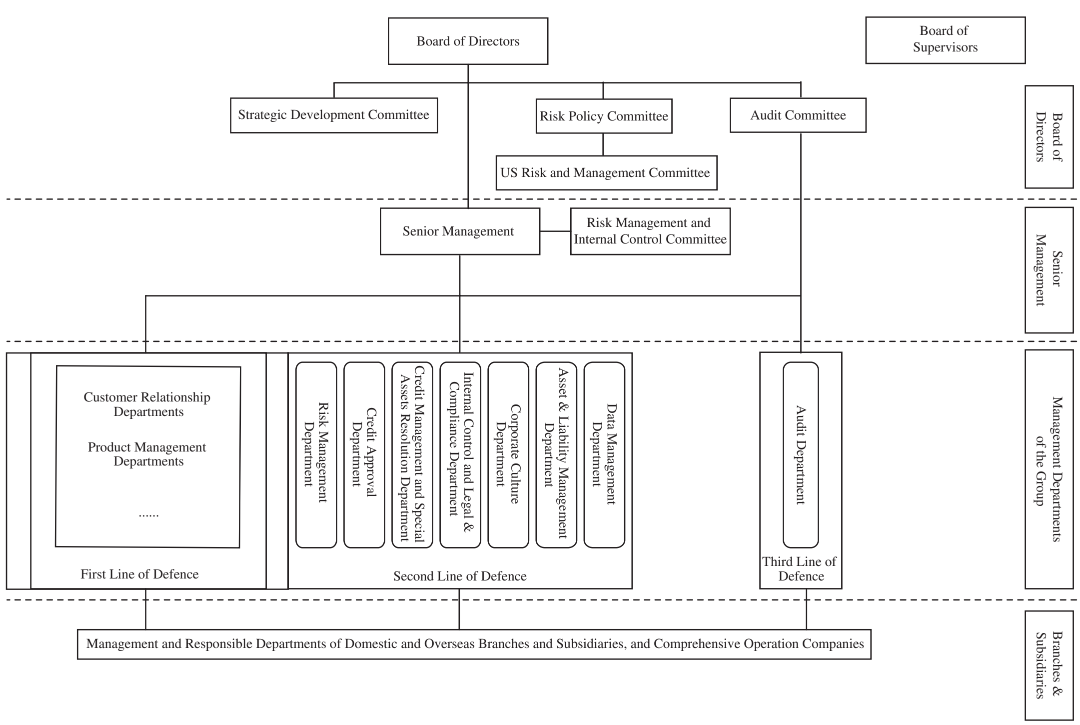
**BOC confirmation services supporting the building of "Credit China" through technology empowerment**

To help crack down on accounting fraud and build the "Credit China" platform, the Bank continuously advanced the digital transformation of its confirmation services. The Bank integrated over 20 business systems and nearly 1,500 business rules across the Bank, realised automatic capturing of inquiry items and centralised processing throughout the entire process. Since July 2024, the Bank has achieved centralised processing of all paper-based confirmation services at two national intensive operation centres, with the average response time shortened from 10 working days to 2 working days. At the same time, the Bank continued to upgrade and optimise digital confirmation services, and launched the "BOC Digital Confirmation 3.0" version, to support automatic sending and receiving of confirmation letters, automatic rule verification, automatic information capturing, and automatic document generation and stamp management. As a result, the whole service process became intelligent, automated, and unmanned, with the average response time reduced to within 15 hours and the business efficiency boosted by over 80%. This effectively alleviated the workload for primary-level institutions, while fundamentally preventing the risk of manual intervention and ensuring the security, accuracy, and reliability of response information.

# RISK MANAGEMENT

The Bank has established a sound and effective organisational structure for risk management that comprises the Board of Directors, the Board of Supervisors, the Senior Management, risk management departments, business departments and internal audit department. The Board of Directors assumes the ultimate responsibility for comprehensive risk management, the Board of Supervisors assumes the responsibility of supervising comprehensive risk management, and the Senior Management assumes the responsibility for the implementation of comprehensive risk management. Adhering to the principles of "forward-looking, proactive, adaptive and applicable", the Bank continued to promote the development of a comprehensive risk management system. To strengthen risk governance, it consistently advanced closed-loop research and analysis and closed-loop emergency response, and improved the effectiveness assessment system for comprehensive risk management. The Bank continuously strengthened its comprehensive risk management system for overseas institutions. Efforts were made to identify the risk characteristics of its off-balance sheet businesses with a view to strengthening the management of off-balance sheet risks. The Bank actively mitigated risks in key areas such as real estate and local debt risks, and firmly defended the bottom line of no occurrence of systemic financial risk. It thoroughly followed the five major regulatory requirements and enhanced rectification accountability to ensure compliance in its operations. Furthermore, the Bank rolled out risk data governance in an orderly manner and accelerated the digital transformation of risk management. It developed a strategy to enhance its intelligent risk control system, focusing on the three key areas of risk dashboard, risk management scenarios and intelligent risk control tools, elevating its intelligent risk management to new heights. The Bank steadily advanced the implementation of the *Capital Rules for Commercial Banks* and efficiently fulfilled its regulatory reporting and external disclosure obligations, while also capitalising on the opportunity to enhance its management systems and business processes, strengthen its risk data governance, improve information systems, and comprehensively expand its capacity for effective risk management.

The risk management framework of the Bank is set forth below:



## Risk Appetite

The Bank's risk appetite clarifies the overall risk and maximum level of each type of risk that the Bank is willing to undertake in order to achieve its strategic objectives and business plans. It is subject to the approval of the Board of Directors and implemented by the Senior Management.

The Bank is committed to maintaining a prudent risk appetite. It actively supports national strategies, serves the overall interests of the country and assumes its social responsibilities, with the aim of achieving high-quality development with high-level security and reinforcing its value creation and risk prevention and control capabilities.

The risk appetite applies to all institutions under the Bank, including its domestic branches, overseas institutions and comprehensive operation companies. It incorporates qualitative statements and quantitative indicators for each type of risk, and highlights the connections between its operational projects, capital planning, performance evaluation and other activities. During the year, the Bank strengthened the transmission of its risk appetite and expanded the application of stress-testing tools, in keeping with the overall expectations of its main stakeholders.

The implementation of the Bank's risk appetite adheres to both unified and differentiated criteria. This requires unified management of risks of all types faced by overseas institutions and comprehensive operation companies, with special attention paid to the characteristic risks faced by the latter, to better drive the globalised and comprehensive operations of the Bank.

## Credit Risk Management

Credit risk refers to the risk of loss arising from the failure or unwillingness of a borrower or counterparty to fulfil its debt obligations, including default risk (arising from a borrower's failure to repay its debt when it falls due) and downgrading risk (arising from a deterioration in a borrower's credit quality).

Closely monitoring changes in macroeconomic and financial conditions, the Bank pushed forward the optimisation of its credit structure, improved its credit risk management policies, strengthened credit asset quality management and took a more proactive and forward-looking stance on risk management.

**Continuously optimising its credit structure in line with national strategies.** Taking full account of the market environment and its business characteristics, the Bank formulated industry guidelines for credit allocation and revised its industry policy for credit portfolio management in order to effectively strengthen high-quality financial services for major national strategies, key fields and weak links, with a focus on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. It actively developed strategic emerging industries and future-oriented industries related to new quality productive forces, promoted the transformation and upgrading of traditional industries, and continued to offer support services for infrastructure construction, people's livelihood and consumption, green and low-carbon development, rural revitalisation, new urbanisation, regional development, foreign trade and foreign investment, among others.

**Strengthening its unified credit granting management and further centralising its comprehensive credit risk management**. The Bank continuously improved its long-acting credit management mechanism, optimised its control mechanism for credit concentration risk, and enhanced its "full coverage and penetration" asset quality screening and monitoring system. Furthermore, it improved the screening and monitoring of key risk areas and upgraded the effectiveness of potential risk identification, early warning, recognition and mitigation. The Bank refined supervision and guidance on asset quality control in key regions, and intensified efforts in the guidance, inspection and post-evaluation of its business lines. In addition, it constantly identified, measured and monitored large exposures in line with related large-exposure management requirements.

**Balancing growth with stability to support high-quality development in its credit business.** In corporate banking, the Bank pushed forward the coverage expanding and efficiency increasing of the coordination mechanism for urban real estate financing to help the real estate market stop declining and recover. Aligning with the policy orientation of putting equal emphasis on home rental and home ownership, it vigorously supported financing needs for rental housing development, purchase and operation. In line with the construction of three major project types (building government-subsidised housing, redeveloping urban villages, and building dual-use public infrastructure that can accommodate emergency needs), the Bank promoted the establishment of the new pattern for the development of real estate. The Bank actively implemented the central government's package of debt relief measures. In personal banking, the Bank reviewed the personal credit policies and product measures and adjusted personal credit strategies to support the development in personal credit business in line with regulatory requirements and the emerging trends of development needs. It continuously developed the credit risk monitoring indicators library, improved the risk monitoring and early warning mechanism at portfolio level, enhanced the control and mitigation of potential risks, to ensure the credit risk is effectively under control.

**Stepping up efforts to mitigate NPAs and preventing and resolving financial risks.** The Bank promoted the refined management of NPA projects, conducting differentiated strategies and making breakthroughs in key areas so as to improve the quality and efficiency of NPA disposal. It expanded its NPA disposal channels, undertook further pilot projects for transferring non-performing loans and carried out the securitisation of non-performing bank cards and personal credit assets.

**Accurately and reasonably assessing credit risk to truthfully reflect the quality of financial assets.** In accordance with the requirements of the *Measures for Risk Classification of Financial Assets of Commercial Banks* and subject to the degree of risk, the Bank classifies its financial assets into five categories: pass, special mention, substandard, doubtful and loss, with the last three categories collectively referred to as NPLs. For non-retail assets, risk classification is determined according to the Bank's evaluation of the level of risk involved, based on assessments of the customers' contract performance ability, financial position, willingness to repay and repayment records, financial assets' overdue days, risk mitigation status and the probability of default, among other factors. For retail assets, risk classification is determined by the days overdue method, alongside a comprehensive consideration based on qualitative and quantitative factors such as customers' contract performance ability, transaction characteristics and guarantee status, etc.

As at the end of 2024, the Group's NPLs[4] totalled RMB268.781 billion, an increase of RMB15.576 billion compared with the prior year-end. The NPL ratio was 1.25%, a decrease of 0.02 percentage points compared with the prior year-end. The Group's allowance for impairment losses on loans and advances was RMB539.177 billion, an increase of RMB53.879 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 200.60%, an increase of 8.94 percentage points compared with the prior year-end. NPLs of the Bank's institutions in the Chinese mainland totalled RMB216.089 billion, an increase of RMB8.792 billion compared with the prior year-end. The NPL ratio of the Bank's institutions in the Chinese mainland was 1.17%, a decrease of 0.06 percentage points compared with the prior year-end. The Group's outstanding special-mention loans stood at RMB316.461 billion, an increase of RMB26.223 billion compared with the prior year-end, and accounted for 1.47% of total loans and advances to customers, an increase of 0.01 percentage points compared with the prior year-end.

[4] Total loans and advances to customers in the "Risk Management – Credit Risk Management" section are exclusive of accrued interest.

### Five-category Loan and Advance to Customers Classification

Unit: RMB million, except percentages

| Items | As at 31 December 2024 | | As at 31 December 2023 | |
|---|---|---|---|---|
| | Amount | % of total | Amount | % of total |
| **Group** | | | | |
| Pass | **20,958,343** | **97.28%** | 19,364,544 | 97.27% |
| Special-mention | **316,461** | **1.47%** | 290,238 | 1.46% |
| Substandard | **68,553** | **0.32%** | 67,246 | 0.34% |
| Doubtful | **94,753** | **0.44%** | 105,261 | 0.53% |
| Loss | **105,475** | **0.49%** | 80,698 | 0.40% |
| **Total** | **21,543,585** | **100.00%** | 19,907,987 | 100.00% |
| NPLs | **268,781** | **1.25%** | 253,205 | 1.27% |
| **Chinese mainland** | | | | |
| Pass | **18,041,271** | **97.53%** | 16,399,066 | 97.40% |
| Special-mention | **240,645** | **1.30%** | 230,521 | 1.37% |
| Substandard | **46,813** | **0.25%** | 39,969 | 0.24% |
| Doubtful | **83,169** | **0.45%** | 96,171 | 0.57% |
| Loss | **86,107** | **0.47%** | 71,157 | 0.42% |
| **Total** | **18,498,005** | **100.00%** | 16,836,884 | 100.00% |
| NPLs | **216,089** | **1.17%** | 207,297 | 1.23% |

### Loan and Advance to Customers Migration Ratio

Unit: %

| Items | 2024 | 2023 | 2022 |
|---|---|---|---|
| Pass | **1.06** | 1.20 | 1.03 |
| Special-mention | **21.62** | 26.41 | 20.63 |
| Substandard | **63.08** | 47.40 | 31.80 |
| Doubtful | **49.27** | 33.09 | 10.43 |

### Distribution of Loans and Advances to Customers and NPLs by Customers' Industry

Unit: RMB million, except percentages

| Items | As at 31 December 2024 | | | | As at 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Loans | % of total | NPLs | NPL ratio | Loans | % of total | NPLs | NPL ratio |
| **Chinese mainland** | | | | | | | | |
| **Corporate loans and advances** | | | | | | | | |
| Commerce and services | **3,184,738** | **14.78%** | **43,274** | **1.36%** | 2,755,264 | 13.84% | 41,312 | 1.50% |
| Manufacturing | **2,732,283** | **12.68%** | **29,485** | **1.08%** | 2,329,950 | 11.70% | 33,565 | 1.44% |
| Transportation, storage and postal services | **2,227,840** | **10.34%** | **6,138** | **0.28%** | 1,976,166 | 9.93% | 8,780 | 0.44% |
| Production and supply of electricity, heating, gas and water | **1,272,285** | **5.91%** | **11,562** | **0.91%** | 1,046,809 | 5.26% | 12,794 | 1.22% |
| Real estate | **967,297** | **4.49%** | **47,799** | **4.94%** | 874,747 | 4.39% | 48,172 | 5.51% |
| Financial services | **538,497** | **2.50%** | **145** | **0.03%** | 660,091 | 3.32% | 161 | 0.02% |
| Construction | **493,051** | **2.29%** | **7,047** | **1.43%** | 397,588 | 2.00% | 4,295 | 1.08% |
| Water conservancy, environment and public utility management | **476,392** | **2.21%** | **5,258** | **1.10%** | 455,276 | 2.29% | 4,973 | 1.09% |
| Mining | **259,771** | **1.21%** | **2,401** | **0.92%** | 217,551 | 1.09% | 3,080 | 1.42% |
| Public utilities | **227,207** | **1.05%** | **2,904** | **1.28%** | 221,595 | 1.11% | 4,260 | 1.92% |
| Others | **86,948** | **0.40%** | **1,381** | **1.59%** | 73,193 | 0.37% | 1,559 | 2.13% |
| **Total** | **12,466,309** | **57.86%** | **157,394** | **1.26%** | 11,008,230 | 55.30% | 162,951 | 1.48% |
| **Personal loans** | | | | | | | | |
| Mortgages | **4,089,266** | **18.98%** | **25,141** | **0.61%** | 4,168,263 | 20.93% | 19,928 | 0.48% |
| Credit Cards | **593,403** | **2.76%** | **10,272** | **1.73%** | 551,366 | 2.77% | 10,114 | 1.83% |
| Other | **1,349,027** | **6.26%** | **23,282** | **1.73%** | 1,109,025 | 5.57% | 14,304 | 1.29% |
| **Total** | **6,031,696** | **28.00%** | **58,695** | **0.97%** | 5,828,654 | 29.27% | 44,346 | 0.76% |
| **Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions** | **3,045,580** | **14.14%** | **52,692** | **1.73%** | 3,071,103 | 15.43% | 45,908 | 1.49% |
| **Total of the Group** | **21,543,585** | **100.00%** | **268,781** | **1.25%** | 19,907,987 | 100.00% | 253,205 | 1.27% |

The Bank continued to optimise its credit structure and stepped up its efforts to support the real economy. As at the end of 2024, loans and advances for the manufacturing industry totalled RMB2,732.283 billion, an increase of RMB402.333 billion or 17.27% compared with the prior year-end. Loans and advances for the transportation, storage and postal services industries totalled RMB2,227.840 billion, an increase of RMB251.674 billion or 12.74% compared with the prior year-end. Loans and advances for production and supply of electricity, heating, gas and water totalled RMB1,272.285 billion, an increase of RMB225.476 billion or 21.54% compared with the prior year-end.

In accordance with IFRS 9, the Bank assesses expected credit losses with forward-looking information and makes relevant allowances. In particular, it makes allowances for assets classified as Stage 1 and assets classified as Stage 2 and Stage 3 according to the expected credit losses over 12 months and the expected credit losses over the entire lifetime of the asset, respectively. As at the end of 2024, the Group's Stage 1 loans and advances totalled RMB20,811.720 billion, accounting for 96.62% of total loans and advances, Stage 2 loans and advances totalled RMB459.510 billion, accounting for 2.13% of total loans and advances, and Stage 3 loans and advances totalled RMB268.731 billion, accounting for 1.25% of total loans and advances.

As at the end of 2024, the Group's credit-impaired loans and advances totalled RMB268.781 billion, an increase of RMB15.576 billion compared with the prior year-end. The credit-impaired loans to total loans ratio was 1.25%, a decrease of 0.02 percentage points compared with the prior year-end. Credit-impaired loans and advances of the Bank's institutions in the Chinese mainland totalled RMB216.089 billion, an increase of RMB8.792 billion compared with the prior year-end. The credit-impaired loans to total loans ratio of the Bank's institutions in the Chinese mainland was 1.17%, a decrease of 0.06 percentage points compared with the prior year-end. The Bank's operations in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions reported credit-impaired loans and advances of RMB52.692 billion and a credit-impaired loans to total loans ratio of 1.73%, an increase of RMB6.784 billion and 0.24 percentage points, respectively, compared with the prior year-end.

### Movement of Credit-impaired Loans and Advances

Unit: RMB million

| Items | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Group** | | | |
| Balance at the beginning of the year | **253,205** | 231,677 | 208,792 |
| Increase during the year | **95,144** | 96,844 | 86,831 |
| Decrease during the year | **(79,568)** | (75,316) | (63,946) |
| Balance at the end of the year | **268,781** | 253,205 | 231,677 |
| **Chinese mainland** | | | |
| Balance at the beginning of the year | **207,297** | 202,404 | 193,030 |
| Increase during the year | **71,261** | 66,760 | 68,527 |
| Decrease during the year | **(62,469)** | (61,867) | (59,153) |
| Balance at the end of the year | **216,089** | 207,297 | 202,404 |

### Loans and Advances and Credit-impaired Loans and Advances by Currency

Unit: RMB million

| Items | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 December 2022 | |
|---|---|---|---|---|---|---|
| | Total loans | Impaired loans | Total loans | Impaired loans | Total loans | Impaired loans |
| **Group** | | | | | | |
| RMB | **18,470,028** | **210,038** | 16,672,058 | 200,330 | 14,311,147 | 195,658 |
| Foreign currency | **3,073,557** | **58,743** | 3,235,929 | 52,875 | 3,194,646 | 36,019 |
| **Total** | **21,543,585** | **268,781** | 19,907,987 | 253,205 | 17,505,793 | 231,677 |
| **Chinese mainland** | | | | | | |
| RMB | **18,249,677** | **210,038** | 16,482,189 | 200,330 | 14,204,573 | 195,658 |
| Foreign currency | **248,328** | **6,051** | 354,695 | 6,967 | 296,210 | 6,746 |
| **Total** | **18,498,005** | **216,089** | 16,836,884 | 207,297 | 14,500,783 | 202,404 |

The Bank makes timely and adequate allowances for loan impairment losses based on the expected credit loss (ECL) module in accordance with the principles of authenticity and forward-lookingness. Please refer to Notes II.4 and VI.2 to the Consolidated Financial Statements for the accounting policy in relation to allowances for impairment losses.

In 2024, the Group's impairment losses on loans stood at RMB120.861 billion, an increase of RMB14.747 billion compared with the prior year. The credit cost was 0.58%, an increase of 0.01 percentage points compared with the prior year. Specifically, the Bank's institutions in the Chinese mainland registered impairment losses on loans of RMB109.858 billion, an increase of RMB20.177 billion compared with the prior year. The credit cost of the Bank's institutions in the Chinese mainland was 0.62%, an increase of 0.05 percentage points compared with the prior year.

The Bank continued to focus on controlling borrower concentration risk and was in full compliance with regulatory requirements on borrower concentration.

Unit: %

| Indicators | As at 31 December 2024 | As at 31 December 2023 | As at 31 December 2022 |
|---|---|---|---|
| Loan and advance concentration ratio of the largest single borrower | **2.5** | 2.0 | 2.2 |
| Loan and advance concentration ratio of the ten largest borrowers | **12.7** | 13.0 | 12.7 |

Notes:

1. Loan and advance concentration ratio of the largest single borrower = total outstanding loans and advances to customers to the largest single borrower ÷ net capital.

2. Loan and advance concentration ratio of the ten largest borrowers = total outstanding loans and advances to customers to the top ten borrowers ÷ net capital.

Please refer to Notes V.17 and VI.2 to the Consolidated Financial Statements for detailed information regarding loan and advance classification, stage determination, credit-impaired loans and advances and allowance for loan impairment losses.

The following table shows the top ten individual borrowers as at the end of 2024.

Unit: RMB million, except percentages

| | Industry | Related Parties or not | Outstanding loans and advances | % of total loans and advances |
|---|---|---|---|---|
| Customer A | Transportation, storage and postal services | NO | 91,533.97 | 0.42% |
| Customer B | Financial services | NO | 52,764.09 | 0.24% |
| Customer C | Transportation, storage and postal services | NO | 46,198.19 | 0.21% |
| Customer D | Commerce and services | NO | 43,846.68 | 0.20% |
| Customer E | Transportation, storage and postal services | NO | 41,989.16 | 0.19% |
| Customer F | Transportation, storage and postal services | NO | 39,786.05 | 0.18% |
| Customer G | Production and supply of electricity, heating, gas and water | NO | 36,840.00 | 0.17% |
| Customer H | Manufacturing | NO | 36,752.90 | 0.17% |
| Customer I | Transportation, storage and postal services | NO | 35,780.78 | 0.17% |
| Customer J | Financial services | NO | 33,510.70 | 0.16% |

## Market Risk Management

Market risk refers to the risk of loss in a bank's on-balance sheet and off-balance sheet business due to unfavourable changes in market prices (including interest rates, exchange rates, stock prices, and commodity prices).

The Bank actively responded to changes in the market environment, continually improved the market risk limit system, and prudently managed market risk. The objective of the Group's market risk management is to effectively manage market risk and improve market risk capital allocation in light of the overall risk appetite determined by the Board of Directors, thus controlling market risk within a reasonable level acceptable to the Bank and achieving a reasonable balance between risk and return.

**Continuing to optimise the market risk management system and comprehensively improve the effectiveness of market risk management.** The Bank improved its market risk management policies and procedures, properly integrated quantitative and qualitative methods, and performed effective identification, measurement, assessment, monitoring, reporting, control and mitigation of market risk. It optimised its multi-layered market risk limit system to enhance management flexibility and effectively transmit market risk appetite. In response to a complex and severe external situation, it further strengthened risk research and judgement. Adhering to "bottom line" thinking and considering worst-case scenarios, the Bank intensified its efforts in emergency drills and stress testing, and intensified risk control in derivatives and other key areas. Please refer to Note VI.3 to the Consolidated Financial Statements for more details of market risk.

**Actively implementing regulatory requirements and improving the market risk management efficiency of the trading book.** The Bank implemented the *Capital Rules for Commercial Banks* on market risk capital, measured regulatory capital for market risk in accordance with regulatory requirements, promoted the proper allocation of market risk capital, and deepened the organic integration of capital measurement with business and risk management. Approaching the implementation of the *Capital Rules for Commercial Banks* as an opportunity for improvement, the Bank consolidated the foundations of its data, model and system management, and enhanced its refined measurement and independent system development capabilities.

**Steadily implementing forward-looking market risk research and judgment to intensify securities investment risk management.** The Bank improved its market risk limit system for bond investment. It bolstered early warning systems for bond market default risks, reinforced the tracking of trends in bond yields, strengthened the bond investment risk penetration management capability of its comprehensive operating companies, and consolidated the asset quality of its bond investment business. Capitalising on its market data and system models, the Bank established a risk management system for securitisation products and improved its full-cycle business management.

**Achieving currency matching between fund source and application for the management of exchange rate risk.** The Bank controlled its foreign exchange exposure through currency conversion and hedging, thus maintaining its exchange rate risk at a reasonable level.

## Management of Interest Rate Risk in the Banking Book

Interest rate risk in the banking book refers to the risk of losses to the economic value and overall earnings of a bank's banking book arising from adverse movements in interest rate levels or term structures. Based on the principles of "matching, comprehensiveness and prudence", the Bank strengthened the management of interest rate risk in the banking book (IRRBB). The Bank's IRRBB management strategy is to control risks within an acceptable level by taking into account factors such as the Bank's risk appetite and risk profile as well as macroeconomic and market conditions, so as to achieve a reasonable balance between risk and return and thus maximise shareholder value.

The Bank closely monitored the changes in the domestic and international economic situations, tracked market fluctuations, conducted risk inspections and stress testing responsively, made timely adjustments to the structure of its assets and liabilities, optimised its internal and external pricing strategy or implemented risk hedging and strengthened branch management, thus controlling the bank's IRRBB at a reasonable level.

## Liquidity Risk Management

Liquidity risk refers to the risk that commercial banks cannot obtain sufficient funds in a timely manner and at reasonable costs to pay due debts, fulfil other payment obligations and meet other funding needs for normal operations. Liquidity risk may arise from the following events or factors: materially adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, debtor default, mismatch between assets and liabilities, difficulties in asset realisation, weakened financing ability, operating losses, and risks associated with the Bank's affiliates.

The Bank endeavoured to develop a sound liquidity risk management system with the aim of effectively identifying, measuring, assessing, monitoring, reporting and controlling or mitigating liquidity risk at the institution and Group level, including that of branches, subsidiaries and business lines, thus ensuring that liquidity demand is met in a timely manner and at a reasonable cost.

**Establishing a sound governance structure for liquidity risk management.** The Board of Directors of the Bank bears ultimate responsibility for liquidity risk management and reviews and approves the Bank's liquidity risk appetite and liquidity risk management strategies. The Senior Management implements the liquidity risk tolerance level, carries out liquidity risk management strategies approved by the Board of Directors and conducts liquidity risk management. The Board of Supervisors oversees and evaluates the performance of the Board of Directors and Senior Management in liquidity risk management. The Asset and Liability Management Department of the Head Office leads the Group's liquidity risk management. Other functional departments of the Head Office and each institution cooperate with the completion of funding arrangements made to ensure the overall liquidity security of the Group and assume their respective functions for liquidity risk management within the overall policy framework described above. Each subsidiary shall undertake the duty of its own liquidity management. The Bank incorporates liquidity risk management into the scope of internal audit, and reviews and evaluates the sufficiency and effectiveness of its liquidity risk management on a regular basis.

**Implementing a comprehensive liquidity risk management strategy.** Adhering to the principle of balancing safety, liquidity and profitability, and following regulatory requirements, the Bank improved its liquidity risk management in a forward-looking and scientific manner. It enhanced liquidity risk management at the institution and Group level, including that of branches, subsidiaries and business lines. It formulated sound liquidity risk management policies and contingency plans, periodically re-examined liquidity risk limits, further upgraded the early warning system for liquidity risk, and strengthened the management of high-quality liquid assets in order to strike an appropriate balance between risk and return.

**Continually improving its liquidity stress-testing.** In addition to performing stress tests on a quarterly basis, stress tests are also carried out in response to changes in the macro environment. The test results indicated that the Bank had adequate payment ability to cope with distressed scenarios.

As at the end of 2024, the Group's liquidity risk indicator met regulatory requirements. The Group's liquidity ratio and loan-to-deposit ratio of the Bank's domestic operations is shown in the table below (in accordance with the relevant provisions of regulatory authorities in the Chinese mainland):

Unit: %

| **Ratio** | | **Regulatory standard** | **As at 31 December 2024** | As at 31 December 2023 | As at 31 December 2022 |
|---|---|---|---|---|---|
| Liquidity ratio | RMB | ≥25 | **55.4** | 55.0 | 49.0 |
| | Foreign currency | ≥25 | **79.0** | 70.2 | 72.6 |
| Loan-to-deposit ratio | RMB and foreign currency | – | **87.2** | 82.7 | 82.9 |

Liquidity gap analysis is one of the methods used by the Bank to assess liquidity risk. Liquidity gap results are periodically calculated, monitored and used for sensitivity analysis and stress testing. As at the end of 2024, the Bank's liquidity gap was as follows (please refer to Note VI.4 to the Consolidated Financial Statements):

Unit: RMB million

| Items | **As at 31 December 2024** | As at 31 December 2023 |
|---|---|---|
| Overdue/undated | **2,225,135** | 2,382,312 |
| On demand | **(10,416,778)** | (9,249,233) |
| Up to 1 month | **(580,917)** | (741,082) |
| 1-3 months (inclusive) | **(1,448,591)** | (731,795) |
| 3-12 months (inclusive) | **(77,235)** | (803,353) |
| 1-5 years (inclusive) | **3,517,738** | 2,979,417 |
| Over 5 years | **9,733,612** | 8,920,549 |
| **Total** | **2,952,964** | 2,756,815 |

Note: Liquidity gap = assets that mature in a certain period – liabilities that mature in the same period.

For detailed information regarding the liquidity coverage ratio and net stable funding ratio, please refer to the *Bank of China Limited 2024 Pillar 3 Disclosure Report*.

## Operational Risk Management

Operational risk refers to the risk of losses resulting from problematic internal processes, employees and IT systems, or from external events, including legal risk, but excluding strategic risk and reputational risk.

The Bank promoted the implementation of the *Measures for the Administration of Operational Risk of Banking and Insurance Institutions* in an orderly manner and continuously improved its operational risk management system. It promoted the application of operational risk management tools such as Risk and Control Assessment (RACA), Key Risk Indicators (KRI) and Loss Data Collection (LDC), etc., carried out the identification, assessment and monitoring of operational risks, further standardised its operational risk reporting mechanism, improved its risk management measures and steadily advanced the implementation of the *Capital Rules for Commercial Banks* for operational risk. The Bank enhanced its IT system support capabilities by optimising its operational risk management information system. It strengthened its business continuity management system, optimised its operating mechanism, enhanced its business continuity management policies, and performed business impact analysis. The Bank also refined contingency plans and carried out business continuity drills, thus improving the Group's business continuity capacity.

## Country Risk Management

Country risk refers to the risk arising from political, economic, and social changes and events in a particular country or region that result in the inability or refusal of a debtor in that country or region to repay debts to the Bank, or that inflict losses on the Bank's business in that country or region, or that cause other losses to the Bank. The Bank incorporates country risk management into its comprehensive risk management system in strict accordance with regulatory requirements. It manages and controls country risk through a range of management tools, including country risk ratings, country risk limits, country risk statistics and monitoring of country risk exposures.

In 2024, facing an extremely complicated international political and economic situation, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements based on its business development needs. In accordance with the *Management Measures for Country Risk of Banking Financial Institutions* issued by the National Financial Regulatory Administration, it amended its country risk management policies, re-examined its country risk ratings and limits, and strengthened the monitoring and early warning of limit implementation. It also stepped up efforts in the monitoring and reporting of country risk, conducted stress testing on country risk, and enhanced its country risk management system. As at the end of 2024, country risk exposures were mainly concentrated in countries and regions with low and relatively low country risk, and the Group's overall country risk was controlled at a reasonable level.

## Reputational Risk Management

Reputational risk refers to the risk of negative assessments or comments regarding the Bank being made by stakeholders, the public and/or the media as a result of its institutional behaviour, employee behaviour or external events, which damage its brand, affect its normal operations and/or disrupt market and social stability.

The Bank earnestly implemented regulatory requirements on reputational risk management, and continued to enhance its reputational risk management mechanisms. It pressed ahead with the routine development and whole-process management of reputational risk, so as to enhance its reputational risk management capabilities. Placing great importance on prevention, the Bank intensified risk source control and governance and dealt appropriately with reputational risk events, thus effectively protecting its brand reputation. In addition, it stepped up reputational risk management training so as to enhance employees' risk prevention awareness and foster a strong culture of reputational risk management.

## Strategic Risk Management

Strategic risk refers to the risk caused by the inappropriateness of commercial banks' business strategies or by changes in the external business environment. The Bank has strictly implemented regulatory requirements on strategic risk management, established a strategic risk governance structure tailored to its unique circumstances, formulated strategic risk management policies, well-defined strategic risk management procedures, and regularly carried out strategic risk monitoring, assessment, and reporting. During the reporting period, the strategic risk of the Bank remained under control.

## Information Technology Risk Management

Information technology (IT) risk refers to the operational, legal and reputational risks that may be incurred by commercial banks due to factors such as natural disasters, human errors, technical vulnerabilities and inadequate management practices during the application of information technology.

Through the Digital Finance Committee, the Bank coordinated and promoted the construction of the Group's IT risk management system and cybersecurity protection system. The Bank incorporated IT risk into its comprehensive risk management system, improved IT risk management measures, and continuously carried out effective identification, assessment, monitoring, control and reporting of IT risk in order to reduce and control IT risk at an appropriate level. The Group revised and improved its IT risk management policies and improved the quality and efficiency of its technology risk management. It continued to enhance its capabilities to guarantee operational safety, with no significant operational failures reported during the year. The Bank strengthened its integrated operations through the Group's cybersecurity coordination work mechanism, and further reinforced its response to global cybersecurity incidents. It fulfilled its responsibility for data security, promoted data security protection throughout the lifecycle, and was among the first in the financial industry to pass the data security management certification to ensure customer information security. In 2024, the Bank actively blocked external attacks such as intrusion attempts, scanning detection and social engineering, and experienced no significant cybersecurity incidents.

# Internal Control and Compliance Management

## Internal Control

The Board of Directors, the Senior Management and their special committees earnestly performed their duties regarding internal control and supervision while emphasising risk warning and prevention, thus improving the Group's level of operational compliance. The Bank continued to adopt the *Basic Standard for Enterprise Internal Control* and its supporting guidelines and implemented the *Guidelines for Internal Control of Commercial Banks* by following the basic principles of "complete coverage, checks and balances, prudence and correspondence", so as to promote internal control governance and an organisational structure characterised by reasonable delegation of work, well-defined responsibilities and clear reporting lines.

**The Bank established and implemented the "Three Lines of Defence" mechanism for internal control.** The first line of defence consists of business departments and all banking outlets. They are the owners of, and are accountable for risks and controls. They undertake self-directed risk control and management functions in the course of their business operations, including formulating and implementing policies, conducting business examination, reporting control deficiencies and organising rectifications.The internal control and risk management departments of the Bank's institutions at all levels form the second line of defence. They are responsible for the overall planning, implementing, examining and assessment of risk management and internal control, as well as for identifying, measuring, monitoring and controlling risks. They actively organise Bank-wide usage of the Group's operational risk monitoring and analysis platform, and are responsible for handling employee violations and management accountability. Through regular monitoring of material risks, the Bank identified and mitigated risks in a timely manner and promoted the optimisation of its business processes and systems. The third line of defence rests in the audit department of the Bank. The audit department is responsible for performing internal audits of the Bank's internal control and risk management in respect of its adequacy and effectiveness. Adopting a problem-oriented and risk-oriented approach, it highlighted the proactive role of audit work. Focusing on the implementation of national policies, regulatory requirements and the Group's strategies, the audit department concentrated its efforts on delivering the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, as well as improving the quality and efficiency of its services to the real economy. It closely monitored risk prevention and control in key areas and institutions, promoted digitalised audit capabilities and research-based audit practices, and carried out audit inspections as scheduled. The audit department attached equal importance to problem discovery and rectification supervision. It conducted independent evaluation of the quality and effectiveness of audit findings and the appropriateness and effectiveness of the Group's rectification mechanism, continuously promoting the application of audit results and the improvement of rectification quality and efficiency. It established and promoted a coordination and connection mechanism, and jointly improved the day-to-day risk prevention and control by the first and second lines of defence, thereby enhancing supervisory synergy with other supervisory bodies.

**The Bank further improved its mechanism for internal control over case prevention, consolidated the responsibilities of primary responsible parties and took multiple control measures.** The Bank promoted the implementation of *the Measures for Risk Prevention and Control of Criminal Cases Involving Banking and Insurance Institutions* and *the Measures for the Management of Criminal Cases Involving Financial Institutions.* It improved its case risk prevention and control management system, strengthened the disposal and management of cases, prevented and controlled case risks across the entire business process, and constantly improved its internal control and case prevention management. It also focused on internal control inspection and the rectification of findings, established a notification mechanism for risk warnings, conducted regular education activities, raised employees' compliance awareness and fostered an internal control compliance culture.

**The Bank established a sound financial accounting policy framework**. Strictly abiding by the requirements of various accounting laws and regulations, the Bank continued to consolidate the accounting foundation. As such, the level of standardisation and refinement of its financial accounting management was continuously improved. The Bank also continued to strengthen the quality management of accounting information and further improve basic accounting work, so as to establish a long-term mechanism for basic accounting work.

In 2024, the Bank successfully prevented 354 external cases involving a total of RMB855.4709 million.

## Compliance Management

The Bank continuously improved its compliance risk governance mechanism and management process to ensure the Group's sound operation and sustainable development.

**Improving its AML and sanctions compliance programme to further enhance money laundering and sanctions compliance risk control.** The Bank continued to streamline its due diligence mechanism, enhanced control of high-risk customers and transactions, and strengthened inspection and supervision. It conducted institutional money-laundering risk assessment, optimised its risk assessment methods and implementation, advanced suspicious transaction monitoring procedures and models, and improved its monitoring and analysis capabilities. The Bank also upgraded its AML-related IT systems to increase the level of digitalisation. It continued to develop the long-acting management framework for its overseas institutions' compliance and consolidated its management foundations, thus enhancing its compliance management capabilities. The Bank also continued to deliver various forms of AML training to enhance all employees' compliance awareness and abilities.

**Continuously improving the refined management of connected transactions and internal transactions.** The Bank implemented regulatory rules on connected transactions, improved its connected transactions management mechanism, strengthened management of connected parties, reinforced data governance of connected transactions and consolidated the foundations of its connected transactions management. It stepped up efforts in the identification, monitoring, disclosure and reporting of connected transactions, standardised the management of internal transactions and strictly controlled transaction risks. It also pushed forward system optimisation and enhanced the automatic management of connected transactions and internal transactions.

## CAPITAL MANAGEMENT

The Bank's capital management objectives are to maintain its capital adequacy ratio at a reasonable level, support the implementation of the Group's strategies, resist various risks including credit risk, market risk and operational risk, ensure the compliance of the Group and related institutions with capital regulatory requirements, promote the Group's transformation towards capital-light business development and improve its capital use efficiency and value creation capabilities.

The Bank implemented its "*14th Five-Year*" *Capital Management Plan*, focused on the requirements of high-quality development, adhered to the principle of attaching equal importance to endogenous accumulation and external supplementation, increased the cohesion of strategic planning, capital replenishment and performance assessment, and continuously improved the level of management. It enhanced its economic capital budget and assessment mechanism, strengthened the application of value creation indicators in resource allocation, and heightened the Group's awareness of capital saving and value creation in order to enhance its capability for endogenous capital accumulation. The Bank improved its on- and off-balance sheet asset structure, strengthened refined capital management, optimised capital-intensive businesses and developed capital-light businesses, reduced inefficient capital usage and enhanced the return on capital employed. It seamlessly implemented the *Capital Rules for Commercial Banks*, expanded the application of advanced approaches to capital measurement and reasonably controlled the risk weight of assets, thus continuously meeting regulatory capital adequacy requirements. It optimised its internal capital adequacy assessment process and improved its capital management governance structure. The Bank prudently replenished its capital through external financing channels in order to consolidate its capital base. To make preparations for meeting total loss-absorbing capacity (TLAC) regulatory requirements, the Shareholders' Meeting approved a total loss-absorbing capacity non-capital bonds replenishment plan of RMB150.0 billion. The Bank successfully issued RMB50.0 billion of total loss-absorbing capacity non-capital bonds during the period.

In 2024, the Bank successfully issued RMB50.0 billion of undated capital bonds and RMB120.0 billion of tier 2 capital bonds, further enhancing its capital strength. It reinforced the management of existing capital instruments and redeemed RMB40.0 billion of undated capital bonds and RMB60.0 billion of tier 2 capital bonds, effectively reducing its cost of capital. As at the end of 2024, the Group' s capital adequacy ratio reached 18.76%, remaining at a robust and reasonable level.

## Capital Adequacy Ratios

As at the end of 2024, the Bank's capital adequacy ratios calculated in accordance with the Capital Rules for Commercial Banks are listed below:

Unit: RMB million, except percentages

| Items | **As at 31 December 2024** | As at 31 December 2023 | As at 31 December 2022 |
|---|---|---|---|
| Net common equity tier 1 capital | **2,344,261** | 2,161,825 | 1,991,342 |
| Net tier 1 capital | **2,763,286** | 2,570,272 | 2,372,990 |
| Net capital | **3,605,572** | 3,297,408 | 2,946,471 |
| Total risk-weighted assets | **19,217,559** | 18,591,278 | 16,818,275 |
| Common equity tier 1 capital adequacy ratio | **12.20%** | 11.63% | 11.84% |
| Tier 1 capital adequacy ratio | **14.38%** | 13.83% | 14.11% |
| Capital adequacy ratio | **18.76%** | 17.74% | 17.52% |

The Bank has implemented the *Capital Rules for Commercial Banks* since 1 January 2024. The capital ratios as at 31 December 2023 were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and related regulations. The Group's capital adequacy ratio met the additional regulatory requirements for systemically important banks. Please refer to Note VI.6 to the Condensed Consolidated Financial Statements and the *Bank of China Limited Pillar 3 Disclosure Report of 2024* for more detailed information about capital measurement.

## Leverage Ratio

As at the end of 2024, the Bank's leverage ratio calculated in accordance with the *Capital Rules for Commercial Banks* is listed below:

Unit: RMB million, except percentages

| Items | **As at 31 December 2024** | As at 31 December 2023 |
|---|---|---|
| Net tier 1 capital | **2,763,286** | 2,570,272 |
| Adjusted on- and off-balance sheet exposures | **36,681,725** | 34,785,923 |
| Leverage ratio | **7.53%** | 7.39% |

The Bank has implemented the *Capital Rules for Commercial Banks* since 1 January 2024. The leverage ratio as at 31 December 2023 was calculated in accordance with the former *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)*, the *Capital Rules for Commercial Banks (Provisional)* and related regulations. The Group's leverage ratio met the additional regulatory requirements for systemically important banks. Please refer to the *Bank of China Limited Pillar 3 Disclosure Report of 2024* for more detailed information about capital measurement.

# ORGANISATIONAL MANAGEMENT, HUMAN RESOURCES DEVELOPMENT AND MANAGEMENT

## Organisational Management

As at the end of 2024, the Bank had a total of 11,507 institutions worldwide, including 10,964 institutions in the Chinese mainland and 543 institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. Its commercial banking business in the Chinese mainland (including head office, tier-1 branches, direct branches, tier-2 branches and outlets) comprised 10,279 institutions, including 38 tier-1 and direct branches, 373 tier-2 branches and 9,867 outlets.

The geographic distribution of the organisations and employees of the Bank is set forth below:

Unit: RMB million/unit/person, except percentages

| | Assets | | Organisations | | Employees | |
|---|---|---|---|---|---|---|
| **Items** | **Total assets** | **% of total** | **Number** | **% of total** | **Number** | **% of total** |
| Northern China | 11,009,000 | 29.80% | 2,168 | 18.85% | 68,264 | 21.83% |
| Northeastern China | 1,157,647 | 3.13% | 892 | 7.75% | 22,704 | 7.26% |
| Eastern China | 8,164,018 | 22.09% | 3,464 | 30.10% | 91,989 | 29.41% |
| Central and Southern China | 5,729,288 | 15.50% | 2,732 | 23.74% | 66,587 | 21.29% |
| Western China | 2,599,205 | 7.03% | 1,708 | 14.84% | 37,637 | 12.03% |
| Hong Kong (China), Macao (China) and Taiwan (China) | 5,711,254 | 15.45% | 400 | 3.48% | 18,882 | 6.04% |
| Other countries and regions | 2,585,646 | 7.00% | 143 | 1.24% | 6,694 | 2.14% |
| Elimination | (1,894,759) | | | | | |
| **Total** | 35,061,299 | 100.00% | 11,507 | 100.00% | 312,757 | 100.00% |

Note: The proportion of geographic assets was based on data before intra-group elimination.

## Human Resources Development and Management

In 2024, focusing on the Group's strategies, the Bank continued to deepen the reform of its organisational structure, streamlined and optimised the institutional framework of the Head Office, and improved operation efficiency at the organisational level. Regarding technology finance and pension finance, the Bank set up the Technology Finance Centre and Pension Finance Centre as specialised institutions to further improve the quality and capacity of its financial services for the real economy and people's well-being. Regarding digital finance, the Bank integrated relevant departments and established the Business R&D Department to strengthen the integration of technology and business. In addition, the Bank set up branches of its Software Centre in Shanghai, Wuhan and Chengdu to continuously enhance its digital development capabilities. To drive the integrated development of commercial banking and investment banking, the Bank integrated relevant departments and established the Corporate Banking and Investment Banking Department to promote customer-centric and diversified financial services.

With a focus on strategic goals and performance, the Bank continued to optimise the allocation of human resources in key regions and key areas, further refined its personnel structure and improved organisational efficiency, providing strong support for high-quality development. At the same time, it continued to recruit talent. It rolled out its 2025 global campus recruitment campaign, offering more than 13 thousand jobs to support and promote graduate employment. The Bank advanced the development of skilled teams in all respects and improved the quality and efficiency of personnel training through post-specific training, project-based exercises, specialised training, job exchange and job rotation. It accelerated the construction of a globalised talent team, intensified the training and deployment of Head Office personnel, expatriates and local employees, and strived to build a globalised talent team that align with its globalised operation layout and enhance its international competitiveness.

As at the end of 2024, the Bank had 312,757 employees. There were 287,181 employees in the Chinese mainland, of which 273,606 worked in the Bank's commercial banking business in the Chinese mainland (including head office, tier-1 branches, direct branches, tier-2 branches and outlets). The Bank had 25,576 employees in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. As at the end of 2024, the Bank bore costs for a total of 4,255 retirees.

**Composition of Staff by Age Group and Education Level**

| Items | The Group | Commercial banking business in the Chinese mainland | Overseas institutions and comprehensive operation companies |
|---|---|---|---|
| **Composition of Staff by Gender** | | | |
| Female | 57.24% | 57.66% | 54.26% |
| Male | 42.76% | 42.34% | 45.74% |
| **Composition of Staff by Age Group** | | | |
| Up to 30 | 24.32% | 24.37% | 23.97% |
| Between 31 and 40 | 35.24% | 34.45% | 40.77% |
| Between 41 and 50 | 20.22% | 20.09% | 21.12% |
| 51 and above | 20.22% | 21.09% | 14.14% |
| **Composition of Staff by Education Level** | | | |
| Master's degree and above | 13.89% | 12.21% | 25.64% |
| Bachelor's degree | 70.70% | 72.85% | 55.66% |
| Associate degree | 12.59% | 12.71% | 11.79% |
| Other | 2.82% | 2.23% | 6.91% |

**Composition of Staff by Job Function (Commercial banking business in the Chinese mainland)**

| Items | Commercial banking business in the Chinese mainland | Items | Commercial banking business in the Chinese mainland |
|---|---|---|---|
| Corporate banking | 18.73% | Operation services and financial management | 8.10% |
| Personal banking | 19.23% | Risk and internal control management | 8.71% |
| Financial markets | 0.33% | Information technology | 4.24% |
| Cross-marketing and teller | 33.55% | Other | 7.11% |

## Remuneration

The Bank's remuneration policy is in line with corporate governance requirements, business development strategies, market positioning and talent competition strategies, and is revised from time to time in accordance with the management requirements of the competent authorities. The Board of Directors of the Bank has set up the Personnel and Remuneration Committee to review the Bank's human resources and remuneration strategies. An independent director serves as Chairman of the Committee. Please refer to the section "Corporate Governance – Special Committees of the Board of Directors" for details of the work progress of the Personnel and Remuneration Committee. Based on the human resources and remuneration strategies determined by the Board of Directors, the Senior Management of the Bank is responsible for formulating rules and regulations for remuneration management.

The Bank's remuneration distribution policy follows the principle of "remuneration by post, payment by performance". Employee remuneration consists of basic salary, performance-based remuneration and benefits. Basic salary is determined by the value of the position and the ability of employees to perform their duties. Performance-based remuneration depends on performance evaluation results of the Group, the institution or department of the employee, and the employee, and is linked to performance, risk, internal control, ability and other factors. The Bank defers the payment of more than 40% of the performance-based remuneration of senior management members and personnel in key posts, depending on the type, size and post risk control responsibilities of the institutions, with a deferred payment period of not less than three years. In addition, the Bank has formulated a recourse and recovery mechanism for performance-based remuneration. If risk losses falling within such employees' remit and responsibility are clearly exposed during the term of service, the Bank may recover part or all of the performance-based remuneration paid within the corresponding period, and stop the payment of the part that has not been paid. The Bank implements the recourse and recovery mechanism strictly according to regulatory requirements and the above-mentioned rules, and reports the results of such implementation to the Board of Directors every year. In 2024, the Bank implemented this mechanism in relation to 2,469 employees, and recovered a total of RMB32.50 million. Benefits mainly include social insurance, housing provident fund, enterprise annuity and other non-cash remuneration, and are managed in accordance with local regulatory policies. The Bank's remuneration policy applies to all employees who have established a labour contract relationship with the Bank, with no exceptions beyond the remuneration policy.

The Bank has established an allocation mechanism for its total remuneration resources, formulated an annual remuneration plan in strict accordance with relevant policies and its management needs, and filed information with the relevant authority. The distribution of total remuneration resources to branches is linked to their completion of comprehensive contribution goals, taking full consideration of risk factors so as to focus on risk-adjusted value creation and enhance long-term performance. In general, the Bank accomplished its annual goals for finance, risks and social responsibilities. Meanwhile, the Bank continued to improve its internal remuneration distribution structure and allocated more remuneration resources to primary-level institutions and employees in order to effectively boost the driving force that fuels the sustainable development of the Bank.

### Staff Education and Training

The Bank earnestly continuously optimised its education and training system, and made its training work more scientific, formal and standardised. It strengthened the training of employees' duty performance abilities. With a focus on the country's most fundamental interests and the Group's key tasks, it intensified training in key areas such as serving the development of the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, supporting higher-level opening up, promoting coordinated regional development, and preventing and defusing financial risks, among others. The Bank actively performed its corporate social responsibilities, incorporated ESG-related content into employee training at all levels and launched training on professional ethics, anti-corruption, integrity and self-discipline, consumer protection, etc. through online and offline channels. In 2024, employees at all levels of the Bank spent an average of 65.57 hours on education and training during the year.

## OUTLOOK

In 2025, The external environment will face heightened uncertainty with multiple risks and challenges. Global economic growth momentum is expected to remain weak, amid divergent performance across major economies and monetary policy entering a rate-cutting cycle. Domestically, macroeconomic policies will become more proactive and effective. Key reform measures will be implemented and produce results. Incremental policies will continue to strengthen. The supporting conditions and basic trends for the long-term improvement of domestic economic performance will not change. In the environment where opportunities and challenges coexisting, the Bank will adhere to the fundamental purpose of serving the real economy, advance steadily while maintaining stability, promote stability through progress, uphold integrity and innovation, establish first and break later, integrate systems and coordinate efforts, and create a new situation of high-quality development of the Bank of China in the construction of serving the financial power.

**The Bank will focus on customer needs, optimise financial supply and build a diversified and specialised financial service system.** The Bank will enhance both the quality and scale of corporate banking, help to cultivate and strengthen new quality productive forces, strengthen credit disbursement in key areas, and continuously improve the quality and efficiency of financial services for the real economy. It will closely track customer needs, implement a cross-product-line marketing mechanism for corporate clients, and continually enhance its ability to provide customers with integrated services. Aiming to build a retail banking that achieves symbiosis between user value and customer value, while creating mutual success in functional value and profitability, the Bank revolves around two core pillars: MAU + AUM (Monthly Active Users + Assets Under Management), continues advancing six key initiatives: payroll services, third-party payments, wealth management, mobile banking, cross-border services, and social security card operations, and firmly advances the development of six foundational systems encompassing management, user experience, rights & benefits, marketing, operations, and risk management. The Bank will sharpen its competitive advantages in financial markets business, enrich and refine its product system, optimise the basic products and strengthen innovative products capabilities. Leveraging on the advantages in FX products, the Bank will expand its client base for currency hedging services proactively while intensifying marketing efforts targeting clients in financial infrastructure markets, non-bank financial institutions, and insurance sectors. Through integrated operations to enhance contributions, the Bank is accelerating the development of a group-wide penetrative management framework, adhering to market-oriented strategies, strengthening cross-functional collaboration, and effectively boosting market competitiveness. In 2025, the RMB loans to customers of the Bank's operations in the Chinese mainland are projected to grow by approximately 10%.

**The Bank will focus on national strategies, leverage traditional strengths, and expand global presence and international competitiveness.** The Bank will enhance capabilities of the institutions in Hong Kong to support Hong Kong's development as an international financial centre, strengthen BOCHK's capacity as a regional headquarter and consolidate BOCHK's regional layout capabilities and competitiveness to deeply explore business opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area and Southeast Asia, reinforce the RMB comprehensive service and the advantage of RMB business. The Bank will boost globalised customer services and product innovation capabilities, focus on the key regions and fields under the Belt and Road Initiative, and increase the quality and efficiency of services for the "going global" of Chinese enterprises and the "bringing in" of foreign investment. The Bank will consolidate and expand its leading position in traditionally competitive businesses and its edges in free trade zone business as a pioneer. The Bank will strengthen building of sovereignty, traditional financial institution and asset management customer groups, and expand the coverage in key customer groups. The Bank will enhance RMB internationalisation service capabilities, deliver integrated cross-border RMB services, support overseas institutional investors in participating in China's factor markets, step up construction of cross-border RMB infrastructures, as well as enhance its duty performance capabilities as a clearing bank and the position as a mainstream CNH market maker. The Bank will boost the presence of overseas institutions, regional management and market competitiveness, reinforce the geographical advantage of Hong Kong (China) and Macao (China), and build and improve the capabilities of BOC (Europe) as the IPU regional headquarters, further pushing overseas institutions to bolster strengths and build featured services.

**The Bank will focus on risk prevention and control, strengthen worst-case scenario thinking and ensure no systemic risks arise.** The Bank will strengthen comprehensive risk management, improve the full-coverage, full-process and full-lifecycle comprehensive risk management capabilities, and ensure full coverage of all institutions, business fields, business processes and customers' lifecycles. In order to strengthen asset quality control, the Bank will improve cross-cycle management capabilities, strengthen risk prevention and resolution, and increase efforts to maintain the asset quality within a reasonable range. Efforts will be made to improve our internal control and compliance management capabilities. It will promote its application of grid-based management mechanisms, establish a case risk prevention, control and supervision mechanism, and implement sanctions compliance risk management and control. In addition, the Bank will ensure operational safety, define clear responsibilities for all employees in this regard, eliminate major production accidents, and firmly safeguard the bottom line by implementing anti-fraud, case prevention, confidentiality management and emergency response measures.

**The Bank will focus on consolidating fundamentals, reinforce the foundation of development, and boost the quality and efficiency of the Group's IT operations.** The Bank will accelerate digital transformation, establish a digital transformation assessment system, promote the in-depth integration of digital technology and financial businesses, build a new model for the business development empowered by digital transformation, and enhance the basic support capacity of financial technology. It will accelerate the solution of primary-level pain points and difficulties, and optimise customer experience. The bank will boost operational efficiency across its service channels, further promoting standardised, intelligent and intensive channel management. The Bank will make continuous efforts to optimise business processes and advance the construction of featured outlets according to local conditions.

## ENVIRONMENTAL RESPONSIBILITIES

### Governance structure

The Bank adheres to a three-tier governance structure consisting of the Board of Directors, the Senior Management and a professional team, while continuously improving its governance capabilities for green finance and environmental (climate) governance.

✧ **The Board of Directors.** The Board of Directors (or its committees) reviews and approves the Group's green finance development plans, green finance objectives and green finance reports that include environmental (climate) risk management, as well as overseeing and evaluating the execution of its green finance development plans. The Board of Directors attaches great importance to and continues to advance its green finance and environmental (climate) work, taking multiple actions such as deliberating proposals, listening to reports, organising seminars and conducting surveys to promote the integration of environmental (climate), social and governance requirements into the Bank's operations. In 2024, on two meetings, the Board of Directors and its Strategic Development Committee reviewed and approved the *Report on Green Finance Development for 2023 and Work Plan for 2024* and the *14th Five-Year Plan for Green Finance (Revised in 2024) of Bank of China*, respectively. The Board and its Corporate Culture and Consumer Protection Committee reviewed and approved the *2023 Corporate Social Responsibility Report (Environmental, Social and Governance)*. The Board and its Risk Policy Committee regularly reviewed the Group's Enterprise Risk Reports, including customer ESG risk management analysis. The Board and its Personnel and Remuneration Committee reviewed and approved the performance assessment plan of senior management members, and incorporated indicators related to serving green finance into its performance assessment.

✧ **Professional capabilities and training of members of the Board of Directors.** Members of the Board of Directors have extensive experience in environmental (climate) risk management. For example, Non-executive Director Mr. HUANG Binghua has spent a long period at the MOF working on enhancing the environmental and social responsibilities of state-owned enterprises. In 2024, he held several special meetings or discussions on topics related to sustainability disclosure. To further enhance the Board members' professional capabilities, the Bank organised green finance-related training sessions for all directors, and invited an expert from the Green Finance Committee of the China Society for Finance and Banking to deliver a lecture on the latest international trends in green finance.

✧ **Senior Management.** In 2024, in line with the spirit of General Secretary Xi Jinping's important speech on green development as well as requirements from the national policies for the vigorous development of the five major tasks, the Senior Management (Executive Committee) has put forward solid measures to drive tangible achievements in green finance. The Green Finance Committee, chaired by the Chief Risk Officer (CRO) and co-chaired by Responsible Vice Presidents of the Group's corporate finance business, has been established under the Senior Management. It holds two meetings annually and is responsible for the overall management and professional decision-making related to green finance across the Group, as well as customer ESG risk management. In 2024, the Green Finance Committee heard reports on the Group's green finance performance and progress of key work, green operations, key corporate green businesses, the establishment of green-related systems, the issuance of green bonds and other subjects, and reviewed and approved the *Management Measures for the Evaluation of Domestic Green Finance Demonstration Institutions (Revised in 2024)*. The Bank incorporated indicators related to green finance into the performance assessment of senior management members, and linked the assessment results to their remuneration.

✧ **Professional team.** The professional team carries out the Group's green finance and environmental (climate) work, making solid efforts to advance green finance development in terms of policy framework, business development, product systems, customer ESG risk management, green operations, cooperation and exchanges, and information disclosure.

## Strategies and policies

The Bank continually enhanced its "1+1+N" green finance policy system, consisting of a green finance plan, an action plan and specific policies to contribute to the national goal of "peak carbon emissions and carbon neutrality". The Bank has developed a policy support package covering 13 areas, including performance assessment and incentive reinforcement, optimisation of economic capital cost management, differentiation of related authorities, and allocation of staff costs, thereby establishing a framework with multiple pillars for its green finance policy system.

In 2024, the Board of Directors reviewed and approved the *14th Five-Year Plan for Green Finance of Bank of China (Revised in 2024)*, setting four clear objectives for the Group's green finance development: striving to become the bank of choice for green finance services, achieving leapfrog development in its green finance business, properly managing customer ESG risks, and exploring ways to gradually reduce the carbon footprint of the Group's operations and asset portfolios. It raised the targets of existing quantitative indicators and specified 10 key indicators in terms of green credit, green bonds and other aspects, so as to form a comprehensive indicator system for green finance development. It optimised relevant work measures, including improving top-level design and organisational management, and enriching green finance products and services, regional development and international cooperation, customer ESG risk management, green operation and information disclosure, talent team building, incentives and constraints, data verification and system development.

In response to the national dual carbon goals of "peak carbon emissions and carbon neutrality", the Bank set out a clear green and low-carbon transformation plan in its *14th Five-Year Plan for Green Finance of Bank of China (Revised in 2024)*, aiming to promote carbon neutrality in its operations and asset portfolios. In terms of operations, the Bank initiated and continued the tracking of the Group's operational carbon footprint, gradually refined the data and systems of its operations-related environmental indicators, reduced its operational carbon footprint in an orderly manner, built a number of carbon neutrality demonstration sites, and continued to facilitate the Group's carbon neutrality-related work. In terms of asset portfolios, the Bank guided the transformation and upgrading of carbon-intensive industries. The proportion of domestic corporate loans to carbon-intensive industries[5] continued to decline. In addition, the Bank ceased to provide financing for new coal mining and coal power projects outside the Chinese mainland from the fourth quarter of 2021, except where financing agreements have already been signed.

Focusing on green development, the Bank published the *Green Finance Action Plan of Bank of China*, putting forward dozens of detailed implementation initiatives in terms of top-level design, business development, customer ESG risk management, green operation and other areas. It formulated the *2024 Work Plan for Green Finance*, outlining 45 initiatives targeting green finance work across the Bank, so as to advance the implementation of green finance.

It also enacted the *Industry Guidelines on Credit Granting of Bank of China Limited (revised in 2024)* and the *Plan for the Management of Industrial Asset Portfolios of Bank of China Limited (2024)*, which define industries such as wind power, new energy storage, ecological protection, environmental treatment and other green and low-carbon related industries as positive growth industries, and improve supporting policies to channel more credit into these industries.

The Bank proactively implemented relevant national policies as well as the United Nations Environment Programme Finance Initiative (UNEP FI), the *Principles for Responsible Banking (PRB)* and other initiatives. It formally issues the *Industrial Credit Policy of Bank of China Limited* after compliance review and formal approval by the management, including credit policies for over 100 industries, covering such industries as agriculture, forestry, animal husbandry and fishery, mining and metallurgy, oil, gas and chemicals, construction and real estate, transportation and logistics. Keeping in line with national policies and regulatory requirements, the Bank specified general technological indicators for customer and project access standards within its industrial credit policies, and put forward requirements related to risk identification and prevention, as well as credit management strategies. In 2024, the Bank developed or revised credit granting policies for industries undergoing green and low-carbon transformation, such as nuclear power generation, power supply, thermal power generation, environmental governance, renewable energy vehicles, energy conservation and carbon reduction in key industries, ESG compliance document and compliance risk point list.

5 Excluding green credit. For specific industry scope, please see the catalogue of high-carbon emission industries in the *Key Evaluation Indicators for the Implementation of Green Finance in Banking Institutions* by NFRA, including electricity, building materials, steel, non-ferrous metals, petrochemicals, chemicals, paper making and airport.

The Bank set credit quotas for iron and steel, cement and other overcapacity industries, and strengthened authorisation management for those industries. It strictly reviewed documentation related to high-energy consumption and high-emission projects, including project approvals and filings, environmental assessments and energy conservation audits. No credit support was provided to projects that failed to meet requirements on energy consumption policy, projects under construction without approval and projects without energy consumption indicators and environmental capacities.

The Bank actively supported nature and biodiversity and specified requirements for biodiversity in the *14th Five-Year Plan for Green Finance of Bank of China (Revised in 2024)*. It constantly enriched biodiversity products and services and highlighted the key elements of biodiversity-related credit granting and customer ESG risk assessment in its credit policies for industries such as forestry and the crop seed industry. It was the first Chinese financial institution to join the Taskforce on Nature-related Financial Disclosures (TNFD) and assisted it in the translation of Chinese-language documents and promotional work.

## Customer environmental (climate), social and governance (ESG) risk management

The Board of Directors of the Bank assumes ultimate responsibility for comprehensive risk management including customer environmental (climate), social and governance risks. The Senior Management assumes responsibility for implementing environmental (climate), social and governance risk management, while the Chief Risk Officer (CRO) chairs the Green Finance Committee and is responsible for customer environmental (climate), social and governance risk management. The CRO acts independently from the Group's operational and business lines and can provide direct reports to the Board of Directors regarding comprehensive risk management.

The Bank has incorporated environmental (climate), social and governance risk management into the comprehensive risk management system. In the Group's comprehensive risk inspection, major environmental (climate), social and governance risk events in domestic and overseas institutions and comprehensive operation companies have been inspected comprehensively, and in the Group's Enterprise Risk Report, environmental (climate), social and governance risk profiles have been analysed. The Bank's risk appetite statement has also been updated to include a qualitative statement about environmental (climate), social and governance risks, and the above-mentioned work has been periodically reported to the Board of Directors.

In 2024, the Bank revised the *Management Policy on Environmental (Climate), Social, and Governance Risks Associated with Customers*. This policy applies to corporate banking (including working capital loans and project financing) and other businesses, covering the entire business cycle, encompassing risk identification and classification, due diligence, business approval, contract management, fund distribution, post-lending management and post-investment management. It was formulated with reference to the applicable regulatory requirements, the *Principles for the Effective Management and Supervision of Climate-related Financial Risks* of the Basel Committee on Banking Supervision, sustainability disclosure standards of the International Sustainability Standards Board (ISSB), the *Performance Standards on Environmental and Social Sustainability* of the International Finance Corporation (IFC), Equator Principles and advanced practices of international counterparts.

✧ **Climate risks and opportunities identification and assessment.** In accordance with the definition and classification of climate risks by Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Bank divided climate risks into physical risks and transition risks, identified specific risks and opportunities under each category, and assessed the impact on its business model and value chain and the impact duration.

✧ **Climate resilience assessment.** The Bank completed the internal capital adequacy assessment process (ICAAP) in 2024, conducting risk identification and assessment for various types of risks, including environmental and climate risks. The Bank identified and assessed the probability of occurrence of environmental and climate risks, the impact of financial losses, and the non-financial impacts. The result showed that environmental and climate risks were identified as non-major risk with relatively low risk degree. At the same time, the Bank assessed the management capability of environmental and climate risks from the dimensions of governance structure, policy system, risk management procedure, management information system and internal control, and the result indicated that the Bank has strong environmental and climate risk management capabilities. The results of the Bank's climate risk stress testing carried out under the NGFS scenarios have been applied to the above-mentioned financial risk assessment and risk management procedure assessment.

✧ **Climate risk stress testing.** Since 2021, the Bank has conducted regular climate risk stress tests to assess its ability to cope with climate risks. In 2024, BOCHK carried out climate risk stress testing in accordance with the guidelines of the Hong Kong Monetary Authority and optimised testing methods and related workflows, including expanding industry scope, refining climate risk transmission paths, strengthening the collection of customers' climate risk-related information and outsourcing climate risk data. BOC (UK) adopted an improved IFRS9 reserve model for the stress testing of climate risk impact on its credit portfolios. Based on the testing results of the above-mentioned institutions, the climate risk on credit portfolios was found to be controllable.

✧ **Full-process management of customer ESG risk.** The Bank has established an effective full-process customer ESG risk management system, covering risk identification, measurement, assessment, monitoring, reporting, control and mitigation, so as to control and reduce customer ESG risk. In terms of risk identification, the Bank divided customers into category A, B and C according to factors such as the degree of potential environmental (climate) and social risks, industry and development stage, labelled the results in relevant business management systems, and adopted stricter assessment and review measures for high-risk customers. In terms of risk measurement, the Bank set quantitative and qualitative indicators and targets, measured, monitored, assessed and managed exposure to environmental (climate), social and governance risks, and analysed the concentration and degree of risks in terms of factors such as industry and region. It included environmental (climate), social and governance risk related factors into its internal assessment model and modules to properly assess the environmental (climate), social and governance risk profiles of customers and their projects, as well as the potential impact on its business. In terms of risk assessment, the Bank assessed customer ESG risks based on the industry and regional characteristics of customers and projects according to 15 aspects, such as pollutant and waste discharge management, climate change impact and response, and green development opportunities of customers and projects. The Bank promoted the application of the assessment results for customer rating and credit access, management and exit. In addition, differentiated risk management measures were adopted in terms of pre-lending investigation, on-lending inspection, post-lending review, loan pricing and economic capital allocation. In terms of risk monitoring and reporting, the Bank collected, analysed and assessed environmental (climate), social and governance risk information on a regular basis, and ensured that risk information was transmitted to the management promptly and handled effectively. It established a sound environmental (climate), social and governance risk reporting mechanism to fully inspect and monitor the Group's environmental (climate), social and governance risk profiles. In terms of risk control and mitigation, the Bank implemented risk management measures such as key business strategies, differentiated authorisations and processes, and list-based management to actively regulate and mitigate customer ESG risks.

✧ **ESG due diligence in corporate banking.** The Bank paid close attention to the impact of ESG risk on credit risk. To ensure the strict implementation of ESG due diligence requirements in all aspects of credit risk assessment, the Bank has incorporated relevant requirements into its corporate customer initiation and due diligence report (consolidated) template as well as credit granting review measures. In terms of initiation, the customer relationship departments performed due diligence on the ESG risks of customers and projects in a comprehensive, in-depth and thorough manner based on industry and regional characteristics, and analysed and assessed relevant ESG risks in business initiation reports and related business management systems. Due diligence personnel have specific knowledge and experience in ESG risk management and receive relevant training. Due diligence is carried out based on up to 15 aspects and must include six core aspects, namely pollutant and waste discharge management, climate change impact and response, natural resources and energy utilisation, product and business responsibility, operation strategy, and risk. In terms of approval, the credit approval department treated the examination of ESG risk impact on credit risks as a necessary part of approval, and incorporated ESG compliance risks into compliance examination. The Bank has listed ESG risk compliance documents and compliance risk points for 19 industries such as nuclear power generation, mining and papermaking. In terms of contract management, the contract preparation departments specified ESG risk management requirements in all contracts. In terms of fund distribution, the Bank strengthened fund distribution management, formulated a review list for customer ESG risk management conditions, and treated the results as an important basis for fund distribution decisions. In terms of post-lending/post-investment management, the Bank conducted dynamic assessment of customer ESG risks.

- ✧ **Risk escalation factors and process.** Factors that trigger risk escalation include customers' ESG classification, environmental protection ratings, and risk events. In terms of initiation, the customer relationship departments intensified the assessment of the environmental (climate), social and governance risks of customers (projects) that may have a potentially significant impact on social stability and public interests, such as nuclear power projects, waste incineration projects in densely populated areas, and large-scale hydropower projects. The initiation should be terminated in case of significant risks. In terms of approval, the credit approval department gave priority to reviewing customers categorised as high or medium ESG risk, assessed the impact of projects' ESG risks on credit risk and took measures to mitigate potential credit risk faced by the Bank arising from this. It also strictly limited credit granting and investment in customers with serious violations of laws and regulations and major risks regarding environmental (climate), social and governance. In terms of contract management, for customers with high or medium ESG risk, separate clauses urging strengthened environmental (climate), social and governance risk management were included in the contracts. For customers with high ESG risk, contract attachments or supplementary contracts were included to strengthen ESG risk management. In terms of fund distribution, where there are cases of major work safety accidents, environmental emergencies or major governance risk events, fund distribution can be suspended or terminated following an assessment in accordance with the terms of the contract. In terms of post-lending/post-investment management, the Bank paid attention to customers determined by national environmental protection departments, work safety authorities and other departments as having violated laws and regulations, urged them to speed up rectification, and made timely adjustments to post-lending/post-investment management strategies and plans.

- ✧ **Establishment of ESG evaluation and management system.** The second phase of the Bank's green finance management system has been put into operation, enabling intelligent classification of customer ESG risks and other functions, dynamically monitoring customers' environmental protection information (such as ratings and penalties), providing an ESG risk classification for all eligible corporate customers, and providing intelligent early warning, regular evaluation and full-process control of customer ESG risks. The first phase of the Bank's environmental footprint management system has also been put into operation, initially enabling the online input and aggregation of environmental footprint data across the Bank's operations.

- ✧ **ESG due diligence in bond underwriting.** The Bank required customers (projects) to be thoroughly examined for ESG risks throughout the customer (project) selection, business initiation and other processes. For industries with high carbon emissions, such as coal and thermal power, the Bank included ESG risk-related factors, such as customers' environmental protection improvement and governance efforts, environmental impact reports and energy conservation audit reports, as an important part of due diligence during the business access stage.

## Metrics and targets

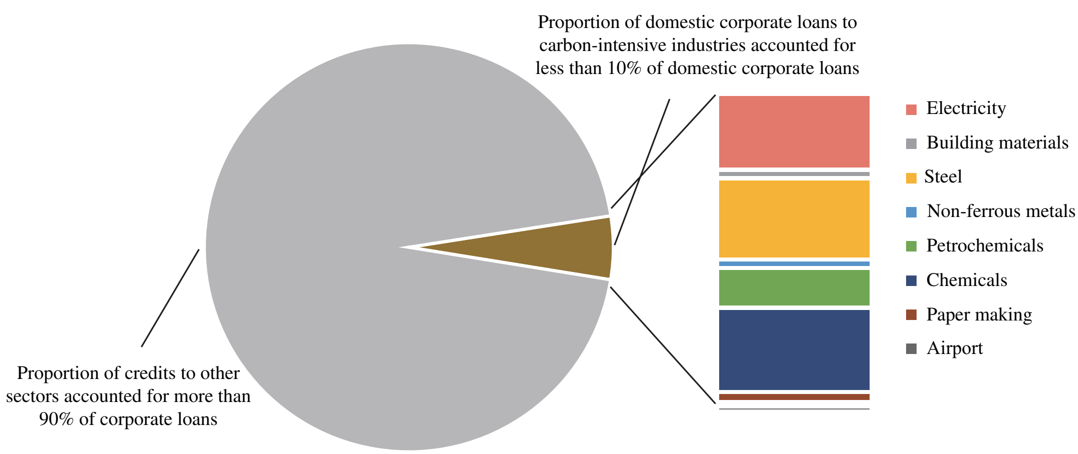
### Business Development

With the goal of "Becoming the Bank of Choice for Green Finance", the Bank improved its green finance products and services, redoubled efforts to support clean energy and other green industries, and continually focused on the financial requirements presented by the green transition and upgrading of traditional industries.

| Objectives during the 14th Five-Year Plan Period | Completion progress in 2024 |
|---|---|
| Providing additional credit support of no less than RMB3 trillion for green industries | As at 31 December 2024, the balance of domestic green credit was RMB4,070.8 billion, up by RMB3,174.0 billion from the end of the 13th Five-Year Plan period and accounting for over 20% of total domestic credit. |
| Achieving year-on-year increases in the balance of green credit of the Bank's domestic operations | Year-on-year growth of 31.03% or RMB964.1 billion. |
| Maintaining asset quality at a sound level | Non-performing loan ratio of domestic green credits was less than 0.5%, lower than the Group's overall NPL ratio. |
| Achieving year-on-year increases in green bond investment scale | As at 31 December 2024, investment in green bonds exceeded RMB100 billion, a steady increase from the beginning of the year. |
| Leading the market in the underwriting of green bonds | The scale of domestic and overseas green bond underwriting ranked first in the interbank market and among Chinese peers in Bloomberg's "Global Offshore Green Bonds" ranking respectively. |
| Issuing bonds related to green and low-carbon development | In 2024, the Bank issued USD700 million green financial bonds in overseas market and RMB10 billion TLAC non-capital green bonds in domestic market. |
| Ceasing to provide financing for new coal mining and coal power projects outside the Chinese Mainland since 2021 Q4 onwards, except where financing agreements have already been signed | Completed |
| Continually reducing the proportion of domestic corporate loans to carbon-intensive industries | Completed |

The Bank continued to develop its "BOC Green+" global brand and launched dozens of green financial products and services across 5 categories such as deposits, loans, bonds, retail consumption and comprehensive services, etc., meeting customer demand for a diverse range of green financial products and services. (For details of the Bank's green product performance, please see the "Management Discussion and Analysis – Business Review – Green Finance" section of this report).

In 2024, the balance of domestic corporate loans to carbon-intensive industries was less than RMB1 trillion, accounting for less than 10% of its total domestic corporate loan balance. The Bank continued to carry out pilot accounting of the carbon footprint of corporate loans in major carbon-intensive industries.




## Green Operations

The environmental performance of green operations is as follows:

| Scope | Source of emission factor | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Scope 1 | Emission factor provided by the National Development and Reform Commission and the Ministry of Ecology and Environment of the People's Republic of China | $tCO_2e$ | **77,288** | 84,740 | 74,899 |
| Scope 2 | Emission factor provided by the National Development and Reform Commission and the Ministry of Ecology and Environment of the People's Republic of China | $tCO_2e$ | **1,138,311** | 1,509,353 | 1,462,647 |
| Scope 3 (Category 5: Waste generated in operations) | *The 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* | $tCO_2e$ | **11,592** | – | – |

## Calculating methods

| | |
|---|---|
| Applied standards | • *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, GHGP (2004)*<br>• *The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*<br>• *The 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories*<br>• *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Public Building Operation Enterprises (Trial)*<br>• *General rules for calculation of the comprehensive energy consumption (GB/T 2589-2020)* |
| Measuring methods | Operational control approach |
| Operation boundary | All domestic and overseas institutions over which Bank of China has operational control |

**Disclosure progress.** The Bank discloses Scope 3 greenhouse gas emissions (category 5) in 2024 and plans to disclose further categories of Scope 3 greenhouse gas emission data in the future.

**Green operation concept.** The Bank continuously improved its energy and resource management system, vigorously advocated green and low-carbon production modes and lifestyles, and actively carried out energy-saving technology applications, green electricity utilisation and other measures. It continued to promote dual control over energy intensity and total energy consumption for all kinds of energy and resources, and assisted in the implementation of the nation's dual carbon goals of "peak carbon emissions and carbon neutrality" through practical actions. It organised various publicity activities such as knowledge competitions, special reports and promotional videos to guide employees in practising green office concepts and cultivating habits that are conducive to energy conservation and carbon reduction.

**Carbon neutrality pilot programme.** The Bank formulated the *2024 Carbon Neutrality Work Plan for Main Office Buildings of the Head Office, BOCHK and Domestic Tier-1 Branches*, in which it specified the carbon neutrality objectives of the main office buildings of its domestic tier-1 branches and put forward solid measures covering eight aspects, including improving key energy management measures, strengthening water utilisation and conservation, promoting green offices and transportation, and carrying out energy-saving and carbon-reduction upgrading. As at 31 December 2024, all objectives have been accomplished. The carbon neutrality pilot programme for the 39 main office buildings of the Head Office, BOCHK and domestic tier-1 branches has been successfully completed and certified by authoritative institutions. Total emissions of the 39 buildings stood at 125.7 thousand tonnes of carbon dioxide equivalent, a year-on-year decrease of 49.24%.

**Featured outlets for green construction.** All newly-built or renovated outlets in 2024 met basic standards for green construction. Moreover, the Bank continued to pilot featured outlets for green construction, establishing 57 such outlets in total.

# SOCIAL RESPONSIBILITIES

## Serving the real economy

Firmly committed to its fundamental mission of supporting the real economy with financial services, the Bank increased its supply of high-quality financial services for the nation's major strategies, key areas and weak links so as to advance the high-quality development of the real economy. It fully supported the development of new quality productive forces and the building of a modern industrial system to promote a virtuous cycle among technology, industry and finance. The Bank further integrated its work into the national coordinated regional development strategy, formulated the *Overall Work Plan of Bank of China for Serving Coordinated Regional Development* as well as action plans for the regions it serves, and established a "1+N" institutional system, helping to build a regional economic layout characterised by complementary advantages and high-quality development. It gave full play to its role as a major financial force in driving high-standard opening up, unswervingly supporting "Going Global" and "Bringing-in" initiatives, bolstering new momentum in foreign trade, prudently and solidly advancing RMB internationalisation and facilitating higher levels of financial opening up.

As at 31 December 2024, the balance of strategic emerging industry loans increased by 26.31% from the prior year-end to RMB2.47 trillion. It granted RMB1.91 trillion in credit lines (including loans, trade financing and discounts) to 102.9 thousand tech enterprises. During the 14th Five-Year Plan Period, the Bank provided over RMB710 billion in comprehensive services on a cumulative basis. It granted RMB603.423 billion in credit lines to 41.7 thousand state-level and province-level "specialised, refined, featured and innovative" SMEs. In 2024, its domestic institutions cumulatively handled USD4.06 trillion of international settlement business, up by 20.51% year-on-year, and recorded cross-border RMB settlement volumes of RMB16.18 trillion, up by 26.27% year-on-year.

## Advancing inclusive finance

The Bank is committed to creating an inclusive financial service system adapted to the development needs of market participants, including micro and small-sized businesses and self-employed individuals. It aims to improve the accessibility and availability of financial services, expand service coverage and comprehensively enhance inclusive finance customers' sense of security and gain. The Bank advanced the implementation of its "special coordination mechanism for supporting small and micro enterprises in obtaining financing", precisely aligning with the financing demands of micro and small-sized businesses and self-employed individuals. It launched the exclusive product series "individual entrepreneurship guarantee loan + *Huichuang* Loan" to address funding challenges faced by new urban residents in innovation and entrepreneurship. Leveraging "BOC E-Cooperation", its global ecosystem service platform, the Bank hosted cross-border matchmaking activities during major exhibitions and forums, thus establishing platforms that connect resources, markets and funds for SMEs worldwide. It carried out the "Bring Jobs to Families" campaign for the third consecutive year, deepening its long-acting mechanism for helping enterprises to create stable jobs through financial services.

As at 31 December 2024, the Bank's outstanding inclusive loans granted to micro and small-sized enterprises stood at RMB2.28 trillion, an increase of 29.63% year-on-year, the number of inclusive loan customers was 1.4953 million, an increase of 39.62% year-on-year. A total of 4,707 featured inclusive finance outlets were established. The average interest rate of new inclusive loans to micro and small-sized enterprises was 3.24%.

## Promoting rural revitalisation

The Bank focused on the key aspects and focal points of the nation's comprehensive rural revitalisation strategies, scaled up credit granting to agriculture-related areas and addressed the demands of rural households and new-type agricultural operators with high-quality financial services, thus injecting financial momentum to efforts to modernise agriculture and rural areas and build up China's agricultural strengths. The Bank leveraged the Group's comprehensive operations to promote the coordination and collaboration between commercial banks and the relevant comprehensive operation companies, thereby facilitating rural revitalisation and financial assistance, and forming effective synergies for advancing all-round rural revitalisation. BOC Fullerton Community Bank is a featured brand of the Bank and an important platform for supporting county-level economies and promoting rural revitalisation. Upholding the development concept of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities", it has established 134 legal entities and 188 township sub-branches nationwide. As at 31 December 2024, the Bank recorded RMB2.50 trillion in outstanding agriculture-related loans, including RMB513.611 billion in outstanding inclusive agriculture-related loans, up by 36.41% from the prior year-end. It has established 1,410 outlets focused on rural revitalisation, and the coverage of institutions in county areas was 65.83%.

The Bank provided paired assistance to the four counties of Yongshou, Changwu, Xunyi and Chunhua in Xianyang City, Shaanxi Province (the "four counties in Xianyang"), exploring innovative paths within the paired assistance model to expand channels for industrial development, enrich ways for people to increase their income, consolidate and expand poverty alleviation outcomes, and drive new breakthroughs in rural revitalisation on all fronts. In 2024, the Bank invested RMB81.92 million in assistance funding to the four counties in Xianyang, implemented 79 paired assistance projects in areas such as industrial revitalisation, education and healthcare, and drinking water safety, and provided 41,000 training opportunities for local primary-level officials, rural revitalisation leaders and technicians from the four counties in Xianyang. Furthermore, the Bank purchased or sold RMB237 million worth of agricultural products produced in areas lifted from poverty nationwide, directly benefitting 640,000 people.

## Protecting the rights and interests of customers

The Bank fulfilled its primary responsibility of protecting consumers' rights and interests. It has formed a management structure for consumer rights protection covering the Board of Directors, Senior Management and the executive team, as well as a comprehensive and effective consumer rights protection system. The Bank intensified inspection of consumer rights protection. It evaluated the products and services, rules and systems, charges and prices, agreements and documents, and marketing and promotional activities that might affect consumer rights throughout the process of design and development, pricing management, agreement formulation and marketing and promotion, identifying and correcting in a timely manner any such elements that might undermine consumers' legitimate rights, thus strengthening the preventive protection of consumer rights. The Bank organised training on consumer rights protection for middle and senior levels of management, consumer rights protection specialists, primary-level employees and new hires, to effectively enhance their sense of mission and responsibility in work related to financial consumer protection. It consistently carried out centralised and normalised financial education and publicity activities, and promoted differentiated financial knowledge publicity for key groups such as seniors, people with disadvantages, students, new urban residents and farmers, in an effort to enhance their financial literacy and awareness of financial security and thus create a harmonious and healthy financial environment.

In 2024, the Bank's overall customer satisfaction was 92.2%. A total of 284 thousand customer complaint cases[6] were handled, and the completion rate stood at 100%. The Bank conducted 115.2 thousand thematic external consumer protection campaigns, recording around 1.481 billion participations.

For more information on the Bank's efforts to ensure the rights and interests of customers, please refer to the section "Report of the Board of Directors – Consumer Rights Protection".

## Contributing to public welfare

By leveraging its global reach and comprehensive capabilities, the Bank actively fulfilled its public welfare responsibility, engaged employees in volunteer services, and supporting and carrying out a series of public welfare activities, such as cultural exchanges, student aid and emergency disaster relief. Since co-founding the "Bank of China Helping Hands Club – Spring Bud Project" with the China Children and Teenagers' Fund in 2014, the Bank has raised over RMB22 million in donations from customers and employees over the last decade, and supported more than 360 girls to continue their studies in 2024. The Bank launched a range of agency asset management products for charitable and public welfare purposes, and allocated a portion of the principal or income derived from these products to charitable projects. In 2024, the Bank successfully raised RMB7.78 million in donations for a number of public welfare projects, including initiatives to support children and provide financial aid to students. As at 31 December 2024, the Bank had helped customers set up 52 charitable trusts with a cumulative size of more than RMB36.88 million to fund initiatives in education, rural development and other areas.

6 The 2024 customer complaints data have been derived from the statistics after combining and reducing repeated complaints.

# GOVERNANCE RESPONSIBILITIES

## Handling of petition matters

The Bank places great importance on handling of petition matters. In accordance with the *Management Measures for Petition Work of Bank of China*, the Bank has maintained its online and offline communication channels open and accessible, including mailboxes, hotlines, in-person visits and emails, to listen to public opinions, suggestions and requirements. The Bank accepts petition matters put forward by stakeholders in real name or anonymous form, fully protects the personal privacy and safety of petitioners, and prohibits anyone from retaliating against the informants in any form. Upholding the political consciousness and people-centredness of financial work, the Bank upheld and advocated the "Fengqiao Town Experience" in the new era, continuously resolving long-pending petition matters and creating a sound petition handling environment that supports its operations and development.

## Strengthening employee management

The Bank formulated the *Code of Conduct for Employees* and the *Detailed Rules for Employee Conduct*, in which it improved the basic professional standards for employees of the Bank, set the standards for employee conduct, defined the boundaries of employee conduct, highlighted the requirements for the conduct of key positions in all business lines with a focus on potential risks arising from improper behaviours in business lines, and encouraged employees to maintain strong professional ethics in terms of due diligence, withdrawal from duties, confidentiality and integrity.

The Bank formulated and issued the *Ten Prohibited Behaviours in Customer Services for Employees in Operating Institutions of Bank of China* and the *Ten Prohibited Behaviours in Employee Management of Operating Institutions of Bank of China*, which set the red lines for code of conduct of employees at front line operating institutions and strengthen employees' awareness of compliance.

The Bank fully protects the legitimate rights and interests of its employees, and refrains from any disrespectful or discriminatory behaviour based on factors such as gender, ethnicity, religion, or age. It offers diverse remuneration packages and equal opportunities for promotion, emphasising the importance of diversity in team building. The Bank fosters an inclusive, equal, open, and harmonious workplace that supports employees in reaching their full potential.

## Intensifying anti-corruption efforts and building a Clean Bank

The Bank systemically maintained a robust anti-corruption stance and took coordinated steps to ensure that the cadres and employees were "not daring to corrupt, not able to corrupt and not wanting to corrupt". It focused on corruption issues involving political and economic factors, and rectified corruption issues in credit approval, NPL disposal, bidding and procurement, information technology, infrastructure and decoration, cost management and other fields. In an effort to combat new and disguised forms of corruption, the Bank promoted the implementation of the *Guiding Opinions and Evidence Guidelines for Investigating and Handling New and Disguised Forms of Corruption*. A regular mechanism has been established to monitor, screen and review non-performing loans of more than RMB100 million, and a package of measures has been adopted to ensure that the power is executed correctly and in a standardised manner. The Bank has intensified its investigation and handling of corruption cases, continuously enhancing the quality and deterrent effect of such efforts. A special campaign was launched to address overseas business risks and cross-border corruption issues. A "small classroom" integrity education programme was introduced to provide expatriates with political, disciplinary and legal training and education. A variety of tiered and classified awareness-raising initiatives were implemented to enhance the warning, education, notice and exposure of corruption cases, including the production of warning films, the organisation of educational conferences and the dissemination of training materials. Concrete and substantial measures were adopted to rectify problems and enhance governance capabilities through corruption cases. In addition, the Bank has proactively promoted a culture of integrity. It developed and launched a new version of the "Clean BOC" intranet platform, and compiled a collection of model cases under the "Integrity BOC" Programme, thus consistently integrating integrity into its corporate culture.

## Practising a responsible procurement philosophy

The Bank continued to strengthen procurement management and improved its supplier management system. It has developed the *Procurement Management Measures of Bank of China Limited (2021)* and the *Supplier Management Measures of Bank of China Limited (2023)*, making clear that the Centralised Procurement Management Committee under the Senior Management (Executive Committee) is responsible for the decision-making and management of centralised procurement activities, and the Centralised Procurement Centre is responsible for coordinating procurement management and supplier management in centralised procurement. The Bank established an open, fair and transparent procurement management mechanism, followed the principle of competitive procurement compliant with laws and regulations to select the best suppliers, prudently implemented single-source procurement and prioritised open bid invitation for procurement projects.

The Bank integrated its responsible procurement philosophy into the whole process of supplier selection, procurement evaluation and supplier management. It clearly specified that "suppliers shall not have any record of conduct in violation of laws and regulations or illegal conduct related to environmental protection, employment, and consumer rights protection" in all projects' bid invitation documents. It adopted a strict approach to supplier access, banning discredited persons subject to enforcement, entities with major tax violations and dishonesty, and entities listed in government procurement records for serious illegal and dishonest acts from participating in the Bank's procurement projects. When inspecting suppliers and evaluating projects, the Bank assessed suppliers' commitment to environmental protection, social responsibilities and other aspects and inspected suppliers' actual performance in environmental protection equipment and measures and labour security so as to encourage them to honour their environmental and social responsibilities.

The Bank adhered to honest procurement, and strictly prohibited commercial bribery, interference in procurement processes, divulgence of confidential information and intentional breach of contract, among other behaviours. It required shortlisted suppliers to sign letters of commitment to honest practice, included dishonest suppliers into the "negative list" for management and strictly restricted them from participating in the Bank's procurement projects.

## Consumer protection in business ethics standards training

The Bank places significant emphasis on fostering strong consumer protection awareness among its employees. In 2024, it conducted comprehensive consumer protection training, targeting middle and senior management, consumer protection personnel, primary-level staff and new recruits. For middle and senior management, the Bank organised specialised training sessions, focusing on regulatory frameworks, case studies and best practices in consumer protection. This initiative aimed to deepen management's understanding and enhance their sense of responsibility towards consumer protection. For consumer protection personnel, specialised training sessions were conducted, covering topics such as oversight of cooperative agencies, guidelines for marketing practices and personal customer information protection. Primary-level staff participated in four online training sessions, with 794.2 thousand participations from employees. For new recruits, an expert was invited to deliver an in-person lecture, with its online streaming attracting 13 thousand new recruits.

For details of the Bank's corporate governance performance, please refer to the "Corporate Governance" section of this report.

For details of the Bank's environmental, social and governance performance, please refer to the *Corporate Social Responsibility Report of Bank of China Limited for 2024 (Environmental, Social and Governance).*

# Changes in Shares and Shareholdings of Shareholders

## Ordinary Shares

### Changes in Ordinary Shares

Unit: Share

| | As at 1 January 2024 | | Increase/decrease during the reporting period | | | | | As at 31 December 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of shares | Percentage | Issuance of new shares | Bonus shares | Shares transferred from surplus reserve | Others | Subtotal | Number of shares | Percentage |
| **I. Shares subject to selling restrictions** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **II. Shares not subject to selling restrictions** | **294,387,791,241** | **100.00%** | **–** | **–** | **–** | **–** | **–** | **294,387,791,241** | **100.00%** |
| 1. RMB-denominated ordinary shares | 210,765,514,846 | 71.59% | – | – | – | – | – | 210,765,514,846 | 71.59% |
| 2. Overseas listed foreign shares | 83,622,276,395 | 28.41% | – | – | – | – | – | 83,622,276,395 | 28.41% |
| **III. Total Ordinary Shares** | **294,387,791,241** | **100.00%** | **–** | **–** | **–** | **–** | **–** | **294,387,791,241** | **100.00%** |

Notes:

1. As at 31 December 2024, the Bank had issued a total of 294,387,791,241 ordinary shares, including 210,765,514,846 A Shares and 83,622,276,395 H Shares.

2. As at 31 December 2024, none of the Bank's A Shares and H Shares were subject to selling restrictions.

## Number of Ordinary Shareholders and Shareholdings

The number of ordinary shareholders as at 31 December 2024 was 572,454, including 408,542 A-Share Holders and 163,912 H-Share Holders.

The number of ordinary shareholders as at the end of the last month before the disclosure of this report was 579,151, including 416,070 A-Share Holders and 163,081 H-Share Holders.

The shareholding of the top ten ordinary shareholders as at 31 December 2024 are set forth below:

Unit: Share

| No. | Name of ordinary shareholder | Increase/ decrease during the reporting period | Number of shares held as at the end of the reporting period | Percentage of total ordinary shares | Number of shares subject to selling restrictions | Number of shares pledged, labelled or frozen | Type of shareholder | Type of ordinary shares |
|---|---|---|---|---|---|---|---|---|
| 1 | Huijin | – | 188,791,906,533 | 64.13% | – | None | State | A |
| 2 | HKSCC Nominees Limited | 40,219,384 | 81,781,399,798 | 27.78% | – | Unknown | Foreign legal person | H |
| 3 | China Securities Finance Corporation Limited | – | 7,941,164,885 | 2.70% | – | None | State-owned legal person | A |
| 4 | Central Huijin Asset Management Ltd. | – | 1,810,024,500 | 0.61% | – | None | State-owned legal person | A |
| 5 | HKSCC Limited | (56,593,434) | 1,433,756,383 | 0.49% | – | None | Foreign legal person | A |
| 6 | MUFG Bank, Ltd. | – | 520,357,200 | 0.18% | – | Unknown | Foreign legal person | H |
| 7 | Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds | 138,196,045 | 395,132,045 | 0.13% | – | None | Other | A |
| 8 | Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 ETF Traded Open-End Index Securities Investment Funds | 206,813,176 | 363,863,945 | 0.12% | – | None | Other | A |
| 9 | China Pacific Life Insurance Co., Ltd. – China Pacific Life Insurance Dividend Equity Portfolio (Traditional) with management of Changjiang Pension Insurance Co., Ltd. | (14,000,000) | 319,000,000 | 0.11% | – | None | Other | A |
| 10 | China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open – End Index Seed Securities Investment Fund | 196,566,886 | 250,995,134 | 0.09% | – | None | Other | A |

Notes:

1. The number of shares held by HKSCC Nominees Limited represents the aggregate number of the Bank's H Shares it held as the nominee for all the institutional and individual investors that maintained accounts with it as at 31 December 2024.

2. China CITIC Financial Asset Management Co., Ltd. held 10,495,701,000 H Shares of the Bank through an agreement-based arrangement with the approval of the regulatory authorities, and held 10,000,000 H Shares of the Bank through its controlled corporation China CITIC Financial AMC International Holdings Ltd. The aforementioned shares were registered in the name of HKSCC Nominees Limited. For details of the holdings of the Bank's H Shares by China CITIC Financial Asset Management Co., Ltd., please refer to the "Interests and Short Positions Held by Substantial Shareholders and Other Persons" section of this report. As of the end of the reporting period, China CITIC Financial Asset Management Co., Ltd. had not pledged any of the Bank's shares.

3. The number of shares held by HKSCC Limited is the aggregate number of the Bank's A Shares it held as a nominee holder who holds securities designated by and on behalf of others, including the number of SSE-listed securities acquired by Hong Kong SAR and overseas investors through Shanghai-Hong Kong Stock Connect.

4. Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin. HKSCC Nominees Limited is a wholly-owned subsidiary of HKSCC Limited. Save as disclosed in this report, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

5. On 11 October 2023, the Bank was informed by Huijin, the controlling shareholder of the Bank, that Huijin had increased its shareholding in the Bank on the same day through the trading system of the SSE and intended to continue to increase its shareholding in the Bank over the following six months. As of 10 April 2024, Huijin had cumulatively increased its holding of the Bank's A Shares by 330,372,926 shares, and held a total of 188,791,906,533 A Shares of the Bank.

6. Except as otherwise specified, the aforementioned statistics are sourced from the Bank's register of shareholders as at 31 December 2024.

The top ten shareholders' lending of shares from participation in refinancing business as at 31 December 2024 are set forth below:

Unit: Share

| Name of shareholder | Shares held in ordinary securities account and credit securities account at the beginning of the reporting period | | Shares lent and unreturned in the refinancing business at the beginning of the reporting period | | Shares held in ordinary securities account and credit securities account at the end of the reporting period | | Shares lent and unreturned in the refinancing business at the end of the reporting period | |
|---|---|---|---|---|---|---|---|---|
| | Aggregate number | Percentage of total issued ordinary shares | Aggregate number | Percentage of total issued ordinary shares | Aggregate number | Percentage of total issued ordinary shares | Aggregate number | Percentage of total issued ordinary shares |
| Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds | 256,936,000 | 0.09% | 1,694,600 | 0.0006% | 395,132,045 | 0.13% | – | – |
| Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 ETF Traded Open-End Index Securities Investment Funds | 157,050,769 | 0.05% | 150,400 | 0.0001% | 363,863,945 | 0.12% | – | – |
| China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open – End Index Seed Securities Investment Fund | 54,428,248 | 0.02% | 4,698,600 | 0.0016% | 250,995,134 | 0.09% | – | – |

Note: The Bank is not aware of any participation by relevant H-Share Holders in any margin trading, short selling or refinancing business.

As of 31 December, 2024, there were no changes in the top ten shareholders of the Bank compared to the latest regular report.

## Interests and Short Positions Held by Substantial Shareholders and Other Persons

The register maintained by the Bank under section 336 of the SFO recorded that, as at 31 December 2024, the persons indicated in the following table held interests or short positions in shares of the Bank (as defined in the SFO):

| Name of shareholder | Capacity (types of interest) | Number of shares held/ Number of underlying shares (unit: share) | Type of shares | Percentage of total issued A Shares | Percentage of total issued H Shares | Percentage of total issued ordinary shares |
|---|---|---|---|---|---|---|
| Huijin | Beneficial owner | 188,791,906,533 | A | 89.57% | – | 64.13% |
| | Interest of controlled corporations | 1,810,024,500 | A | 0.86% | – | 0.61% |
| | Total | 190,601,931,033 | A | 90.43% | – | 64.74% |
| BlackRock, Inc. | Interest of controlled corporations | 4,977,445,720 | H | – | 5.95% | 1.69% |
| | | 42,582,000(S) | H | – | 0.05% | 0.01% |
| China CITIC Financial Asset Management Co., Ltd. | Beneficial owner | 10,495,701,000 | H | – | 12.55% | 3.57% |
| | Interest of controlled corporations | 10,000,000 | H | – | 0.01% | 0.003% |
| | Total | 10,505,701,000 | H | – | 12.56% | 3.57% |
| CITIC Securities Company Limited | Beneficial owner | 28,789,000 | H | – | 0.034% | 0.0098% |
| | Interest of controlled corporations | 665,156,352 | H | – | 0.80% | 0.23% |
| | | 369,000(S) | H | – | 0.00044% | 0.00013% |
| | Trustee | 6,050,387,000 | H | – | 7.24% | 2.06% |
| | Total | 6,744,332,352 | H | – | 8.07% | 2.29% |
| | | 369,000(S) | H | – | 0.00044% | 0.00013% |
| CITIC Securities Asset Management Company Limited | Trustee | 5,890,062,000 | H | – | 7.04% | 2.00% |
| CITIC Securities Asset Management – No.3 Single Asset Management Scheme | Other | 5,909,466,000 | H | – | 7.07% | 2.01% |

Notes:

1. BlackRock, Inc. held a long position of 4,977,445,720 H Shares and a short position of 42,582,000 H Shares of the Bank through BlackRock Financial Management, Inc. and other corporations controlled by it. In the long position of 4,977,445,720 H Shares, 11,694,000 H Shares were held through derivatives. In the short position of 42,582,000 H Shares, 40,501,000 H Shares were held through derivatives.

2. China CITIC Financial Asset Management Co., Ltd. held a long position of 10,495,701,000 H Shares of the Bank as a beneficial owner, and a long position of 10,000,000 H Shares of the Bank through its controlled corporation, China CITIC Financial AMC International Holdings Ltd.

3. CITIC Securities Company Limited held, through its controlled corporations including but not limited to CITIC Securities Asset Management Company Limited and CITIC Securities International Company Limited, a long position of 6,744,332,352 H Shares and a short position of 369,000 H Shares of the Bank. In the long position of 6,744,332,352 H Shares, 665,305,379 H Shares were held through derivatives. The entire short position of 369,000 H Shares was held through derivatives.

4. CITIC Securities Asset Management Company Limited is a wholly-owned subsidiary of CITIC Securities Company Limited. CITIC Securities Asset Management Company Limited, through all the asset management plans it manages including CITIC Securities Asset Management – No.3 Single Asset Management Scheme, held a long position of 5,890,062,000 H Shares of the Bank.

5. CITIC Securities Asset Management Company Limited is the manager of CITIC Securities Asset Management – No.3 Single Asset Management Scheme. China CITIC Financial Asset Management Co., Ltd. is the sole principal and beneficiary of CITIC Securities Asset Management – No.3 Single Asset Management Scheme.

6. (S) denotes short position.

7. Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 31 December 2024, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

8. The register maintained by the Bank under section 336 of the SFO contains information which is self-reported by the relevant shareholders or other persons, and the Bank is not required by the relevant ordinance to conduct any independent investigation.

## Controlling Shareholder of the Bank

### Huijin

Huijin is a state-owned investment company established on 16 December 2003 under the Company Law, with Mr. ZHANG Qingsong as its legal representative. Wholly owned by China Investment Corporation ("CIC"), Huijin makes equity investments in major state-owned financial institutions, as authorised by the State Council. To the extent of its capital contribution, Huijin exercises its rights and fulfils its obligations as an investor in major state-owned financial institutions on behalf of the State, in accordance with applicable laws aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial institutions of which it is the controlling shareholder.

As at 31 December 2024, the basic information of companies directly held by Huijin is as follows:

| No. | Company name | Proportion of total capital held by Huijin |
|---|---|---:|
| 1 | China Development Bank | 34.68% |
| 2 | Industrial and Commercial Bank of China Limited★ ☆ | 34.79% |
| 3 | Agricultural Bank of China Limited ★ ☆ | 40.14% |
| 4 | Bank of China Limited ★ ☆ | 64.13% |
| 5 | China Construction Bank Corporation ★ ☆ | 57.14% |
| 6 | China Everbright Group Ltd. | 63.16% |
| 7 | China Export & Credit Insurance Corporation | 73.63% |
| 8 | China Reinsurance (Group) Corporation ☆ | 71.56% |
| 9 | China Jianyin Investment Limited | 100.00% |
| 10 | China Galaxy Financial Holding Co., Ltd. | 69.07% |
| 11 | Shenwan Hongyuan Group Co., Ltd. ★ ☆ | 20.05% |
| 12 | New China Life Insurance Company Limited ★ ☆ | 31.34% |
| 13 | China International Capital Corporation Limited ★ ☆ | 40.11% |
| 14 | Zhong Hui Life Insurance Co., Ltd. | 80.00% |
| 15 | Evergrowing Bank Co., Limited | 40.46% |
| 16 | Bank of Hunan Corporation Limited | 20.00% |
| 17 | China Securities Co., Ltd. ★ ☆ | 30.76% |
| 18 | China Galaxy Asset Management Co., Ltd. | 13.30% |
| 19 | Guotai Junan Investment Management Co., Ltd. | 14.54% |

Notes:

1. ★ denotes A-Share listed company and ☆ denotes H-Share listed company.

2. Besides the above companies controlled or held by Huijin, Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin.

Please refer to the *Announcement on Matters Related to the Incorporation of China Investment Corporation* published on 9 October 2007 by the Bank for relevant information regarding China Investment Corporation.

As at 31 December 2024, no other legal-person shareholder held 10% or more voting shares of the Bank (excluding HKSCC Nominees Limited).

### Nomination of Directors by Shareholders

Incumbent Non-executive Directors Mr. ZHANG Yong, Mr. ZHANG Jiangang, Mr. HUANG Binghua, Mr. LIU Hui, Mr. SHI Yongyan and Ms. LOU Xiaohui were recommended by Huijin, shareholder of the Bank. Incumbent Non-executive Director Mr. LI Zimin was recommended by China CITIC Financial Asset Management Co., Ltd., shareholder of the Bank.

## Preference Shares

### Issuance and Listing of Preference Shares in the Past Three Years

The Bank had not issued Preference Shares in the last three years as of 31 December 2024.

### Number of Preference Shareholders and Shareholdings

The number of preference shareholders as at 31 December 2024 was 104, including 103 domestic preference shareholders and 1 offshore preference shareholder.

The number of preference shareholders as at the end of the last month before the disclosure of this report was 104, including 103 domestic preference shareholders and 1 offshore preference shareholder.

The top ten preference shareholders as at 31 December 2024 are set forth below:

Unit: Share

| No. | Name of preference shareholder | Increase/ decrease during the reporting period | Number of shares held as at the end of the reporting period | Percentage of total preference shares | Number of shares pledged or frozen | Type of shareholder | Type of preference shares |
|---|---|---|---|---|---|---|---|
| 1 | The Bank of New York Mellon Corporation | – | 197,865,300 | 16.52% | Unknown | Foreign legal person | Offshore Preference Shares |
| 2 | China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund | 73,383,300 | 73,383,300 | 6.13% | None | Other | Domestic Preference Shares |
| 3 | China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH | – | 70,000,000 | 5.84% | None | Other | Domestic Preference Shares |
| 4 | Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.1 Securities Investment Collective Capital Trust Fund | 59,080,000 | 59,080,000 | 4.93% | None | Other | Domestic Preference Shares |
| 5 | Jiangsu International Trust Corporation Limited – JSITC –Multi-strategy Youxuan No.2 Collective Capital Trust Fund | 56,000,000 | 56,000,000 | 4.67% | None | Other | Domestic Preference Shares |
| 6 | Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.10 Securities Investment Collective Capital Trust Fund | 42,460,000 | 42,460,000 | 3.54% | None | Other | Domestic Preference Shares |
| 7 | China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund | 34,358,700 | 34,358,700 | 2.87% | None | Other | Domestic Preference Shares |
| 8 | CCB Trust Co., Ltd. – CCB Trust –Anxin Strategy No.1 Collective Capital Trust Fund | 33,000,000 | 33,000,000 | 2.75% | None | Other | Domestic Preference Shares |
| 9 | Ping An Life Insurance Company of China – Universal – Individual Universal Insurance | – | 30,000,000 | 2.50% | None | Other | Domestic Preference Shares |
| 9 | Shanghai Tobacco Group Co., Ltd. | – | 30,000,000 | 2.50% | None | State-owned legal person | Domestic Preference Shares |

Notes:

1. The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintained accounts with Euroclear and Clearstream as at 31 December 2024, held 197,865,300 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.

2. Both China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund and China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund are managed by China Credit Trust Co., Ltd. Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.1 Securities Investment Collective Capital Trust Fund and Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.10 Securities Investment Collective Capital Trust Fund are managed by Hwabao Trust Co., Ltd.

3. Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank's top ten ordinary shareholders.

## Profit Distribution of Preference Shares

For the profit distribution policy of the preference shares and the profit distribution arrangements, please refer to the section "Report of the Board of Directors".

## Exercising Redemption Rights of Preference Shares

On 4 March 2025, the Bank redeemed all 197,865,300 shares of the Offshore Preference Shares (Second Tranche) issued on 4 March 2020. For details, please refer to the Bank's announcements published on the websites of the SSE, HKEX and the Bank on 5 March 2025.

## Other Information regarding Preference Shares

During the reporting period, there was no conversion into ordinary shares or voting rights recovery in respect of the preference shares of the Bank.

Preference shares issued by the Bank contain no contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. Preference shares issued are non-derivative instruments that will be settled in the entity's own equity instruments, but include no contractual obligation for the entity to deliver a variable number of its own equity instruments. The Bank classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs arising from preference shares issuance are deducted from equity. The dividends on preference shares are recognised as profit distribution at the time of declaration.

The funds raised from the issuance of the preference shares have been fully used to replenish the Bank's additional tier 1 capital and increase its capital adequacy ratio.

Pursuant to the relevant terms of the Prospectus, the dividend rates of the Domestic Preference Shares (Third Tranche and Fourth Tranche) shall be adjusted at different intervals. The dividend rate shall be the benchmark interest rate and the fixed interest margin. The dividend adjustment interval is set, with the same dividend rate for the first five years, and the benchmark interest rate resetting every five years. The dividend rate remains unchanged during each adjustment interval, and the fixed interest margin shall be equal to the spread between the dividend rate and the benchmark rate at the time of issuance, which will remain unchanged. The first five-year dividend rate adjustment intervals of the Domestic Preference Shares (Third Tranche and Fourth Tranche) expired in June 2024 and August 2024, respectively. The Bank has reset their dividend rates. For details, please refer to the related announcements published on the websites of the SSE, HKEX and the Bank.

# Issuance of Other Securities

Please refer to Note V.31 to the Consolidated Financial Statements for details of bonds issued by the Bank.

No shares of the Bank have been specifically issued to its employees.

# Directors, Supervisors and Senior Management Members

## Basic Information

### Incumbent Directors, Supervisors and Senior Management Members

| **Incumbent Directors** | | | | |
|---|---|---|---|---|
| **Name** | **Year of birth** | **Gender** | **Position** | **Term of office as Director** |
| GE Haijiao | 1971 | Male | Chairman | From April 2023 to April 2026 |
| ZHANG Hui | 1972 | Male | Vice Chairman and President | From January 2025 to January 2028 |
| ZHANG Yong | 1968 | Male | Non-executive Director | From June 2023 to June 2026 |
| ZHANG Jiangang | 1973 | Male | Non-executive Director | From July 2019 to June 2025 |
| HUANG Binghua | 1966 | Male | Non-executive Director | From March 2022 to March 2028 |
| LIU Hui | 1972 | Male | Non-executive Director | From August 2023 to August 2026 |
| SHI Yongyan | 1968 | Male | Non-executive Director | From September 2023 to September 2026 |
| LOU Xiaohui | 1971 | Female | Non-executive Director | From April 2024 to March 2027 |
| LI Zimin | 1971 | Male | Non-executive Director | From March 2025 to March 2028 |
| Martin Cheung Kong LIAO | 1957 | Male | Independent Director | From September 2019 to June 2025 |
| CHUI Sai Peng Jose | 1960 | Male | Independent Director | From September 2020 to June 2025 |
| Jean-Louis EKRA | 1951 | Male | Independent Director | From May 2022 to May 2028 |
| Giovanni TRIA | 1948 | Male | Independent Director | From July 2022 to July 2025 |
| LIU Xiaolei | 1974 | Female | Independent Director | From March 2024 to March 2027 |
| **Incumbent Supervisors** | | | | |
| **Name** | **Year of birth** | **Gender** | **Position** | **Term of office as Supervisor** |
| WEI Hanguang | 1971 | Female | Employee Supervisor | From November 2021 |
| JIA Xiangsen | 1955 | Male | External Supervisor | From May 2019 to the date of the Annual General Meeting in 2025 |
| HUI Ping | 1960 | Male | External Supervisor | From February 2022 to the date of the Annual General Meeting in 2025 |
| CHU Yiyun | 1964 | Male | External Supervisor | From June 2022 to the date of the Annual General Meeting in 2025 |

| **Incumbent Senior Management Members** | | | | |
|---|---|---|---|---|
| **Name** | **Year of birth** | **Gender** | **Position** | **Term of office as Senior Management Member** |
| ZHANG Hui | 1972 | Male | Vice Chairman and President | From December 2024 |
| LIU Jin[7] | 1976 | Male | Executive Vice President | From April 2024 |
| ZHANG Xiaodong | 1972 | Male | Executive Vice President | From March 2023 |
| CAI Zhao | 1973 | Male | Executive Vice President | From September 2023 |
| WU Jian | 1970 | Male | Executive Vice President | From February 2025 |
| ZHAO Rong | 1971 | Female | Chief Risk Officer | From October 2024 |
| ZHUO Chengwen | 1970 | Male | Secretary to the Board of Directors and Company Secretary | From March 2024 |
| MENG Qian | 1965 | Female | Chief Information Officer | From May 2022 |

Notes:

1. During the reporting period, no incumbent director, supervisor or senior management member held any share of the Bank.

2. Since the new employee supervisor has not been elected at the 2024 Employee Delegates' Meeting, Ms. WEI Hanguang shall continue to fulfill her duties as an employee supervisor.

3. Please refer to the above table for the term of office of Ms. ZHAO Rong as Chief Risk Officer of the Bank. Ms. ZHAO Rong served as Chief Business and Management Officer of the Bank from December 2022 to September 2024.

4. Please refer to the above table for the term of office of Mr. ZHUO Chengwen as Secretary to the Board of Directors and Company Secretary of the Bank. Mr. ZHUO Chengwen served as Chief Audit Officer of the Bank from May 2021 to March 2024.

7 Executive Vice President of the Bank since April 2024, unless otherwise stated. Previously referred to as LIU Jinn in the Bank's reports and announcements. Mr. LIU Jin will thereafter be identified as "LIU Jin" beginning from the date of this report.

## Former Directors, Supervisors and Senior Management Members

| Name | Year of birth | Gender | Position held before leaving post | Term of office |
|---|---|---|---|---|
| LIU Jin*[8] | 1967 | Male | Vice Chairman and President | From June 2021 to August 2024 |
| LIN Jingzhen | 1965 | Male | Executive Director and Executive Vice President | From February 2019 to January 2025 |
| ZHANG Yi | 1971 | Male | Executive Director and Executive Vice President | From April 2024 to May 2024 |
| JIANG Guohua | 1971 | Male | Independent Director | From December 2018 to February 2024 |
| E Weinan | 1963 | Male | Independent Director | From July 2022 to July 2024 |
| ZHANG Keqiu | 1964 | Female | Chairwoman of the Board of Supervisors | From January 2021 to February 2024 |
| ZHOU Hehua | 1975 | Male | Employee Supervisor | From November 2021 to October 2024 |
| LIU Jiandong | 1969 | Male | Chief Risk Officer | From February 2019 to September 2024 |

Notes:

1. No former director, supervisor or senior management member held any share of the Bank during their terms of office.

2. Please refer to the above table for the term of office of Mr. LIU Jin* as former Director of the Bank. His term of office as former President of the Bank began as of April 2021.

3. Please refer to the above table for the term of office of Mr. LIN Jingzhen as former Director of the Bank. His term of office as former Executive Vice President of the Bank began as of March 2018.

4. Please refer to the above table for the term of office of Mr. ZHANG Yi as former Director of the Bank. His term of office as former Executive Vice President of the Bank began as of March 2023.

8 Former Vice Chairman and President from June 2021 to August 2024. Hereinafter referred to as LIU Jin* in this report.

## Remuneration of Directors, Supervisors and Senior Management Members Paid in 2024

| Name | Position | Remuneration before tax from the Bank in 2024 (Unit: RMB ten thousand) | | | | Remunerated by shareholding companies or other connected parties |
|---|---|---|---|---|---|---|
| | | Remuneration paid | Employer contribution to social insurance, enterprise annuity, supplementary medical insurance and housing provident fund | Other monetary income | Total | |
| **Incumbent Directors, Supervisors and Senior Management Members** | | | | | | |
| GE Haijiao | Chairman | 67.26 | 23.68 | – | 90.94 | No |
| ZHANG Hui | Vice Chairman and President | 5.60 | 2.00 | – | 7.60 | No |
| ZHANG Yong | Non-executive Director | – | – | – | – | Yes |
| ZHANG Jiangang | Non-executive Director | – | – | – | – | Yes |
| HUANG Binghua | Non-executive Director | – | – | – | – | Yes |
| LIU Hui | Non-executive Director | – | – | – | – | Yes |
| SHI Yongyan | Non-executive Director | – | – | – | – | Yes |
| LOU Xiaohui | Non-executive Director | – | – | – | – | Yes |
| LI Zimin | Non-executive Director | – | – | – | – | – |
| Martin Cheung Kong LIAO | Independent Director | 45.00 | – | – | 45.00 | Yes |
| CHUI Sai Peng Jose | Independent Director | 50.00 | – | – | 50.00 | Yes |
| Jean-Louis EKRA | Independent Director | 45.00 | – | – | 45.00 | Yes |
| Giovanni TRIA | Independent Director | 40.00 | – | – | 40.00 | Yes |
| LIU Xiaolei | Independent Director | 45.81 | – | – | 45.81 | Yes |
| WEI Hanguang | Employee Supervisor | 5.00 | – | – | 5.00 | No |
| JIA Xiangsen | External Supervisor | 29.23 | – | – | 29.23 | No |
| HUI Ping | External Supervisor | 26.00 | – | – | 26.00 | No |
| CHU Yiyun | External Supervisor | 26.00 | – | – | 26.00 | No |
| LIU Jin | Executive Vice President | 45.40 | 17.28 | – | 62.68 | No |
| ZHANG Xiaodong | Executive Vice President | 60.53 | 22.94 | – | 83.47 | No |
| CAI Zhao | Executive Vice President | 60.53 | 22.93 | – | 83.46 | No |
| WU Jian | Executive Vice President | – | – | – | – | – |
| ZHAO Rong | Chief Risk Officer | 103.75 | 26.12 | 1.70 | 131.57 | No |
| ZHUO Chengwen | Secretary to the Board of Directors and Company Secretary | 103.75 | 26.12 | 1.70 | 131.57 | No |
| MENG Qian | Chief Information Officer | 103.75 | 26.12 | 1.70 | 131.57 | No |

| Name | Position | Remuneration before tax from the Bank in 2024 (Unit: RMB ten thousand) | | | | Remunerated by shareholding companies or other connected parties |
|---|---|---|---|---|---|---|
| | | Remuneration paid | Employer contribution to social insurance, enterprise annuity, supplementary medical insurance and housing provident fund | Other monetary income | Total | |
| **Former Directors, Supervisors and Senior Management Members** | | | | | | |
| LIU Jin* | Vice Chairman and President | 44.84 | 15.66 | – | 60.50 | No |
| LIN Jingzhen | Executive Director and Executive Vice President | 60.53 | 22.92 | – | 83.45 | No |
| ZHANG Yi | Executive Director and Executive Vice President | 20.18 | 7.53 | – | 27.71 | No |
| JIANG Guohua | Independent Director | – | – | – | – | Yes |
| E Weinan | Independent Director | 17.88 | – | – | 17.88 | Yes |
| ZHANG Keqiu | Chairwoman of the Board of Supervisors | 11.21 | 3.89 | – | 15.10 | No |
| ZHOU Hehua | Employee Supervisor | 4.17 | – | – | 4.17 | No |
| LIU Jiandong | Chief Risk Officer | 77.81 | 19.45 | 1.30 | 98.56 | No |

Notes:

1. In accordance with the government regulations, since 1 January 2015, the Bank remunerates Chairman of the Board of Directors, President, Chairman of the Board of Supervisors and Executive Vice Presidents pursuant to the rules on remuneration reform for central enterprises.

2. The 2024 final remuneration for Chairman of the Board of Directors, President, Chairman of the Board of Supervisors, executive directors and other senior management members is to be determined and will be disclosed in an additional announcement by the Bank.

3. The Bank remunerates directors, supervisors and senior management members who are employed by the Bank with salaries, bonuses, employer contribution to social insurance, enterprise annuity, supplementary medical insurance and housing provident fund, as well as other monetary income. Independent directors receive directors' remunerations and allowances. Other directors are not remunerated by the Bank. Chairman of the Board of Directors, executive directors and senior management members do not receive any remuneration from the Bank's subsidiaries.

4. The remuneration for independent directors is determined based on the resolutions of the 2007 Annual General Meeting and the 2019 Second Extraordinary General Meeting. The remuneration for external supervisors is determined based on the resolutions of the 2009 Annual General Meeting.

5. In 2024, Non-executive Directors Mr. ZHANG Yong, Mr. ZHANG Jiangang, Mr. HUANG Binghua, Mr. LIU Hui, Mr. SHI Yongyan, and Ms. LOU Xiaohui were not remunerated by the Bank.

6. Some independent directors of the Bank served as directors or senior management members of other legal entities or organisations, which caused such legal entities or organisations to be defined as connected parties of the Bank. Save as disclosed above, none of the directors, supervisors or senior management members of the Bank was remunerated by the connected parties of the Bank during the reporting period.

7. The above persons' remuneration is calculated on the basis of their actual time working as directors, supervisors or senior management members of the Bank in 2024. Employee supervisors' remuneration above is paid for their service as supervisors of the Bank during the reporting period.

8. For the starting time of the term of office of the above-mentioned directors, supervisors and senior management members, please refer to the section "Basic Information".

9. The Bank incurred RMB13.4227 million in remuneration to its directors, supervisors and senior management members' services in 2024.

## Positions Held in Shareholding Companies by Directors, Supervisors and Senior Management Members

Save as disclosed above, in 2024, none of the Bank's directors, supervisors or senior management members held any position in the shareholding companies of the Bank.

## Biographies of Directors, Supervisors and Senior Management Members

### Directors

**GE Haijiao**
**Chairman**

Chairman of the Board of Directors and Executive Director of the Bank, and Chairman of the Board of Directors of BOC Hong Kong (Holdings) Limited since April 2023. Mr. GE joined the Bank in 2023. From November 2021 to March 2023, Mr. GE served as a member of the Standing Committee of Hebei Provincial Committee of the CPC, the Executive Vice Governor of Hebei Province, Secretary of the Commission for Science, Technology, and Industry for National Defense under Hebei Provincial Committee of the CPC, and Head of the Office of Leading Group for Xiong'an New Area Planning and Construction under Hebei Provincial Committee of the CPC. From September 2019 to November 2021, he served as Vice Governor of Hebei Province. From December 2018 to September 2019, Mr. GE served as an Executive Director of China Everbright Group Ltd. From January 2019 to September 2019, Mr. GE served as the Executive Director and President of China Everbright Bank. From December 2016 to December 2018, he served as Deputy General Manager of China Everbright Group Ltd. Prior to that, Mr. GE had held various positions in Agricultural Bank of China, including General Manager of the International Banking Department of Liaoning Branch, General Manager of Liaoyang Branch, Deputy General Manager of Dalian Branch, General Manager of Singapore Branch, Deputy General Manager (department general manager level) of the International Banking Department of Head Office, senior executive of Sydney Branch, and General Manager of Heilongjiang Branch. Mr. GE obtained a double Bachelor's Degree in Laws and in Economics from the Department of International Economics of Liaoning University in 1993, major in International Finance, a Master's Degree in Economics from the Department of Economics of Jilin University in 1999, major in World Economics, a Master's Degree in Management from Nanjing Agricultural University in 2000, and a Doctor's Degree in Management from Nanjing Agricultural University in 2008. Mr. GE is also a delegate to the 14th National People's Congress, and was a delegate to the 13th and 14th Hebei Provincial People's Congress and to the 12th Heilongjiang Provincial People's Congress. Mr. GE holds the qualifications of Senior Economist and International Business Engineer.

**ZHANG Hui**
**Vice Chairman and President**

Vice Chairman of the Board of Directors and Executive Director of the Bank since January 2025 and President of the Bank since December 2024, and concurrently as Vice Chairman of the Board of Directors of BOC Hong Kong (Holdings) Limited since February 2025. Mr. ZHANG joined the Bank in 2024. Mr. ZHANG served as Executive Vice President of China Development Bank from February 2021 to November 2024. Prior to that, Mr. ZHANG had worked in Bank of Communications for many years, and he served as Chief Risk Officer from July to November 2020. Mr. ZHANG served as General Manager of the Risk Management Department and Director of the Internal Control and Crime Prevention Office from February 2019 to November 2020, General Manager of the Risk Management (Asset Preservation) Department from February 2017 to February 2019, and President of Guizhou Branch from November 2016 to February 2017. Before that, he held a number of other positions at Bank of Communications, including Assistant General Manager, Deputy General Manager, Deputy General Manager (presiding over daily work) and General Manager of the Asset Preservation Department, Deputy General Manager of the Risk Management (Asset Preservation) Department, Vice President of Shanghai Branch, and Vice President (performing president's duty) of Guizhou Branch. Mr. ZHANG graduated and obtained a bachelor's degree in economics from Shaanxi Institute of Finance and Economics (now Xi'an Jiaotong University) in 1993.

**ZHANG Yong**
**Non-executive Director**

Non-executive Director of the Bank since June 2023. From January 2019 to May 2023, he served as Non-executive Director of China Development Bank. From September 2017 to January 2019, he served as Non-executive Director of China Export & Credit Insurance Corporation. From November 2002 to August 2017, he worked as Deputy General Manager of the Information Management Department and Head of Information Release Division of the Head Office of Industrial and Commercial Bank of China. Mr. ZHANG graduated from Renmin University of China with a Bachelor's Degree of Science in July 1990 and obtained a Master's Degree in Economics from Renmin University of China in January 2000. He holds the title of Senior Economist.

**ZHANG Jiangang**
**Non-executive Director**

Non-executive Director of the Bank since July 2019. Mr. ZHANG served as member of the Party Committee, Secretary of Party Discipline Committee, Deputy Secretary-General, and Chairman of the Financial Evaluation Committee of the China Appraisal Society from May 2016 to July 2019. From August 2014 to May 2016, Mr. ZHANG served as Deputy Secretary-General of the China Appraisal Society. From September 2000 to August 2014, he worked in the Department of Personnel and Education of the Ministry of Finance, successively serving as the Principal Staff Member, Deputy Director and Director. From November 1998 to September 2000, Mr. ZHANG served as a cadre of the editorial office of the State Assets Management of the Ministry of Finance. From July 1995 to November 1998, he served as a cadre of the former State-owned Assets Administration Bureau. Mr. ZHANG graduated from the China Youth University of Political Studies in July 1995 with a Bachelor's Degree in Law, and obtained a Master's Degree in Management from the Graduate School of the Chinese Academy of Fiscal Sciences of the Ministry of Finance in December 2002. He holds the title of Senior Economist.

**HUANG Binghua**
**Non-executive Director**

Non-executive Director of the Bank since March 2022. Mr. HUANG served as Deputy Director of the Department of Asset Management of the Ministry of Finance from August 2018 to March 2022. From September 2015 to August 2018, he served successively as Party Committee Member, Vice Party Secretary, and Deputy Director of the Budget Assessment and Review Center of the Ministry of Finance. From August 2014 to September 2015, he served as Chief of the Comprehensive Division of Department of Asset Management of the Ministry of Finance. From July 2000 to August 2014, he worked at the Department of Enterprises of the Ministry of Finance and successively held the positions of Principal Staff Member, Deputy Chief, Chief of the Third Division of Enterprises, Chief of the State-owned Capital Budget Management Division, Chief of the Enterprise Operation Division, and Chief of the Comprehensive Division. From February 1996 to July 2000, he served at the Department of Property Rights Registration and Asset Statistics of the National State-owned Assets Management Bureau and the Department of Asset Assessment of the Ministry of Finance. Mr. HUANG graduated from the School of Government, Peking University majoring in Administrative Management and obtained a Bachelor's Degree in Law.

**LIU Hui**
**Non-executive Director**

Non-executive Director of the Bank since August 2023. Since 1995, Mr. LIU worked successively at the Head Office of Agricultural Development Bank of China, Ping An Insurance Beijing Branch (Life Insurance), and the Finance and Private Sector Development Department of the World Bank Office, Beijing. He joined Central Huijin Investment Ltd. in 2007 and successively worked as Senior Deputy Manager, Senior Manager and Division Chief. Mr. LIU served concurrently as a supervisor of China Securities Co., Ltd., and served as a Non-executive Director of China Export & Credit Insurance Corporation. He graduated from Cambridge University with a Ph.D. degree.

**SHI Yongyan**
**Non-executive Director**

Non-executive Director of the Bank since September 2023. In 2011, he joined Central Huijin Investment Ltd. From January 2018 to January 2024, he served as Non-executive Director of China Everbright Group. From May 2018 to July 2020, he served as Non-executive Director of China Everbright Bank. From March 2016 to February 2018, he was a member of the Party Work Committee and Deputy Director of the Administrative Committee of Lanzhou New Area, Gansu Province. From March 2013 to March 2016, Mr. SHI served as Non-executive Director of China Export & Credit Insurance Corporation. From September 2011 to March 2013, he was Head of Research Support Division, Banking Department at Central Huijin Investment Ltd. From March 2006 to September 2011, he worked as Deputy Chief and Consultant at the General Office of the Anti-money Laundering Bureau of the People's Bank of China. From March 2003 to March 2006, he served as cadre and Deputy Chief of the Anti-Money Laundering Division of the Supervision and Inspection Department of the State Administration of Foreign Exchange. Mr. SHI graduated from Peking University with a Bachelor's degree and a Master's degree in Economics, and graduated from Nanyang Technological University, Singapore, with an MBA degree and a Ph.D. degree.

**LOU Xiaohui**
**Non-executive Director**

Non-executive Director of the Bank since April 2024. Ms. LOU has served as a non-executive director of China Everbright Group Ltd. from March 2017 to April 2024. She is now serving at Central Huijin Investment Ltd. From 2001 to 2017, she successively worked as Deputy Director and Director of the General Office of the Ministry of Finance, Director of the Information Office (director level) and Deputy Director of the National Comprehensive Agricultural Development Evaluation Center (deputy bureau level). She graduated from the Central Institute of Finance and Banking (currently Central University of Finance and Economics), majoring in finance and holding a master's degree in Economics. She is a non-practicing member of the Chinese Institute of Certified Public Accountants (CICPA).

**LI Zimin**
**Non-executive Director**

Non-executive Director of the Bank since March 2025. Mr. LI has been an executive director of China CITIC Financial Asset Management CO., Ltd. (hereinafter referred to as "China CITIC Financial AMC") since January 2023 and the president of China CITIC Financial AMC since October 2022, and served as the deputy secretary of the party committee of China CITIC Financial AMC since September 2022. He has been a director of China CITIC Financial AMC International Holdings Limited since June 2024. Mr. LI started his career in CITIC Trust Co., Ltd. in July 1994 and successively served as the head of the corporate integrated financial services team, the general manager of the investment banking department I and the business director. He served as a member of the party committee, the deputy general manager, and deputy secretary of the party committee of CITIC Trust from April 2011 to November 2014. He served as a deputy secretary of the party committee, general manager, director and vice chairman of CITIC Trust from November 2014 to October 2020. He served as the secretary of the party committee, general manager and vice chairman of CITIC Trust from October 2020 to September 2022, and concurrently served as an equity director of China Guangfa Bank Co., Ltd. from June 2007 to June 2018, the chairman of Allianz China Life Insurance Co., Ltd. from October 2012 to February 2017, the chairman of CITIC Tourism Group Co., Ltd. from August 2016 to March 2021, a non-executive director of China Hongqiao Group Limited from January 2021 to December 2022. He has served as a non-executive director of CITIC Limited since December 2023. Mr. LI obtained a bachelor's degree in economics from Beijing Institute of Economics in July 1994, a master's degree in business administration from School of Economics and Management, Tsinghua University in January 2006, and a doctorate in management from School of Management, University of Chinese Academy of Sciences in July 2015.

**Martin Cheung Kong LIAO**
**Independent Director**

Independent Director of the Bank since September 2019. Mr. LIAO was called to the Bar in England and Wales in 1984 and was called to the Bar in Hong Kong in 1985 and is a practicing barrister in Hong Kong, and is admitted an Advocate and Solicitor of Singapore since 1992. He has been serving as a member of the Legislative Council of the Hong Kong Special Administrative Region since 2012. Mr. LIAO has also been serving as the Deputy Chairman of The Hong Kong Jockey Club in May 2023, following his prior service as a Steward since April 2013, an Independent Non-executive Director of Hang Lung Group Limited since November 2014, and standing committee member of the 14th National Committee of the Chinese People's Political Consultative Conference since March 2023. Mr. LIAO has been appointed as a non-official Member of the Executive Council of the Hong Kong Special Administrative Region since November 2016. He was appointed as Justice of the Peace in 2004, was awarded the Silver Bauhinia Star in 2014, the Gold Bauhinia Star in 2019 and the Grand Bauhinia Medal in 2024. He is elected as Deputy of the Hong Kong Special Administrative Region to the 11th, 12th and 13th National People's Congress of the People's Republic of China. Mr. LIAO previously served as Chairman of the Anti-money Laundering and Counter Terrorist Financing Review Tribunal, Chairman of The Hong Kong Council for Accreditation of Academic and Vocational Qualifications and Chairman of the Advisory Committee on Corruption of the Independent Commission against Corruption. He graduated from University College London with a Bachelor of Economic Science (Hons) Degree in 1982 and a Master of Laws Degree in 1985.

**CHUI Sai Peng Jose**
**Independent Director**

Independent Director of the Bank since September 2020. Mr. CHUI is currently the President of CAA City Planning & Engineering Consultants Ltd. of Macao, and Da Chang (Zhuhai) Concrete Pile Co., Ltd. He is also the Deputy of the Macao SAR to the 14th National People's Congress, Deputy of Legislative Assembly of the Macao SAR. In addition, he serves as a member of the National Committee of China Association for Science and Technology, Vice-President of the Macao Chamber of Commerce, Vice-President of General Assembly of the Macao Association of Building Contractors and Developers. Mr. CHUI served as the President of Hou Kong Junior Chamber in 1994 and President of Junior Chamber International Macao, China in 1999. He was the President of Committee for Building Appraisal of the Macao SAR from 2002 to 2015. He served as member and Vice-President of the Committee of Cultural Industries of the Macao SAR from 2010 to 2016. Currently he serves as Independent Director of Luso International Banking Ltd. Mr. CHUI is a registered Urban Planner and Civil Engineer of Macao. He is also a registered Civil Engineer and Structural Engineer (Senior Engineer Level) of California, USA. Mr. CHUI received his Bachelor's Degree in Civil Engineering from University of Washington in 1981, and received his Master's Degree in Civil Engineering from University of California, Berkeley in 1983. He graduated from Tsinghua University in 2002 with a Doctor's Degree in Urban Planning.

**Jean-Louis EKRA**
**Independent Director**

Independent Director of the Bank since May 2022. Mr. EKRA currently sits on the Board of several institutions including African Continental Free Trade Area (AfCFTA) Adjustment Fund Corporation LTD and the Fund for Export Development in Africa (FEDA). He is the founder of Ayipling Morrison Capital, a venture capital and financial advisory firm. He was until September 2015 President and Chairman of the Board of the African Export-Import Bank (Afreximbank) in Cairo, Egypt. He assumed this role in January 2005 after holding successively the positions of Executive Vice-President and Senior Executive Vice-President of Afreximbank. Under his leadership, Afreximbank was assigned an investment grade credit rating by 3 major international rating agencies (Fitch, Moody's and S&P) and won many awards and Prizes for excellence given by various reputable organisations. Before joining Afreximbank in 1996, he held senior positions in different institutions including: Vice-President in charge of International Financial Institutions at Citibank NA Abidjan, Managing Director of Société Ivoirienne de la Poste et de l'Epargne (SIPE), Country Manager for the West African Economic & Monetary Union (UEMOA) and Partner at DKS Investment, a financial advisory firm in Jersey. He was for 4 years elected Honorary President of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID). In 2011, Mr. EKRA was listed among the 100 most influential people of Africa by "New African". In 2013, he received the "Lifetime Achievement Award" from "African Bankers". In 2016, he was awarded the honour of Commandeur de l'Ordre National of Côte d'Ivoire. He holds a Master of Business Administration from Stern School of Business at New York University (NYU) and a Master of Economics from University of Abidjan, Côte d'Ivoire.

**Giovanni TRIA**
**Independent Director**

Independent Director of the Bank since July 2022. Mr. TRIA is an economist with more than 40 years of academic and professional experience in the fields of macroeconomics, price policies, economic development policies, business cycle and growth, public investment assessment and project evaluation, role of the institutions on the process of growth, economics of crime and economics of corruption, service sector and public sector economics. He received his degree in Law from University in Rome "La Sapienza" in 1971, then became associate professor and full professor of Political Economy at Faculty of Economics, the University of Rome Tor Vergata, where he served as Dean of the Faculty from 2016 to May 2018 until he was appointed Minister of Economic and Finance of Italy in the Conte I Cabinet and member of the IMF Board of Governors from June 2018 to September 2019. He was adviser of the Italian Ministry of Economic Development in the Draghi Cabinet from March 2021 to October 2022. Currently he is honorary professor at University of Rome Tor Vergata and since January 2022 he is President of the Foundation Enea Tech Biomedical. His past professional and academic positions include expert at the Department of Treasury and member of the "Evaluation Team of Public Investments" at the Ministry of Budget of Italy from 1987 to 1990, visiting scholar at the Department of Economics at Columbia University in 1986, consultant at the World Bank from 1998 to 2000, consultant at the Ministry of Foreign Affairs (Directorate General for Development Cooperation) from 1999 to 2002, Delegate for the Italian Government at the Governing Body of International Labour Organisation from 2002 to 2006 and from 2009 to 2012, Vice Chair of Committee for Information, Computer and Communication Policy (ICCP) and Member of the Innovation Strategy Expert Advisory Group at OECD from 2009 to 2011. He served as Director of Center for Economic and international Studies at University of Rome Tor Vergata from 2000 to 2009 and as President of Italian National School of Administration from 2010 to 2016.

**LIU Xiaolei**
**Independent Director**

Independent Director of the Bank since March 2024. Ms. LIU currently serves as Professor of Finance and Accounting, the Deputy Director of the Faculty of Economics & Management and Chair of the Finance Department at Guanghua School of Management, Peking University, and concurrently serves an independent director of PetroChina Company Limited. Ms. LIU has held several positions at Peking University, including Deputy Director of the Faculty of Economics & Management since May 2022, Peking University Boya Distinguished Professor since 2018, Chair of the Finance Department at Guanghua School of Management since November 2015, and Professor of Finance and Accounting at Guanghua School of Management since December 2014. Before joining Peking University, Ms. LIU served as an Assistant Professor and later a tenured Associate Professor at Hong Kong University of Science and Technology between December 2005 and December 2014. Between June 2021 and June 2024, Ms. LIU served as an independent director of First Capital Securities Co., Ltd. Between April 2020 and February 2024, she served as an independent director of FIL Fund Management (China) Company Limited. Between March 2019 and December 2021, she served as an independent director of Chasing Securities Co., Ltd. She also served as an independent director of Tianjin Youfa Steel Pipe Group Co., Ltd. from February 2018 to January 2022 and acted as the convener of the Audit Committee of the Board of Directors. In 1995, Ms. LIU obtained a BA in Economics from Nankai University, followed by an MA in Economics from the University of International Business and Economics in 1998. In 2006, she completed her Ph.D. at the University of Rochester in the USA. Ms. LIU's research interests include corporate finance, accounting, risk management, and financial markets. She was included in the 2022 "Highly Cited Chinese Researchers" list published by Elsevier, and her work has received numerous national and international awards.

## Supervisors

**WEI Hanguang**
**Employee Supervisor**

Employee Supervisor of the Bank since November 2021. Ms. WEI currently serves as General Manager of the Corporate Banking and Investment Banking Department of the Head Office of the Bank. Since joining the Bank in July 1994, she served as Deputy General Manager of the Human Resources Department of the Head Office, Executive Deputy Director of Office of the Leading Group for Comprehensively Deepening Reform and Deputy General Manager of the Human Resources Department of the Head Office of the Bank, and General Manager of the Human Resources Department and Executive Deputy Director of Office of the Leading Group for Comprehensively Deepening Reform of the Head Office of the Bank. She graduated from Tsinghua University and obtained a Master's Degree in Business Administration.

**JIA Xiangsen**
**External Supervisor**

External Supervisor of the Bank since May 2019. Mr. JIA previously worked in the People's Bank of China ("PBOC") and Agricultural Bank of China ("ABC"). From December 1983 to April 2008, Mr. JIA served as Deputy Director of the PBOC Fengtai District Office, and held such positions at ABC as Deputy Head of Beijing Fengtai Sub-branch, Deputy Division Chief at Beijing Branch, Head of Beijing Dongcheng Sub-branch, Deputy General Manager of Beijing Branch, General Manager of the Corporate Banking Department of the ABC Head Office, and General Manager of Guangdong Branch. From April 2008 to March 2010, Mr. JIA served as Principal of the Audit Office of ABC. From March 2010 to March 2014, he served as both the Chief Auditor and the Principal of the Audit Office of ABC. Mr. JIA received his Master's Degree in Monetary Banking from the Chinese Academy of Social Sciences. He holds the title of Senior Economist.

**HUI Ping**
**External Supervisor**

External Supervisor of the Bank since February 2022. Mr. HUI previously worked for the People's Bank of China ("PBOC") and the Industrial and Commercial Bank of China ("ICBC"). Mr. HUI joined Qingjian County sub-branch of PBOC Shaanxi Branch in December 1980 and Qingjian sub-branch of ICBC Shaanxi Branch in August 1986. From May 1994 to December 2010, he held various positions at ICBC Shaanxi Branch, including, among others, Secretary at Deputy Director level of the Office, Deputy Director of the Office and Director of the Office, Head of Shaanxi Xianyang Branch, Deputy General Manager of Shaanxi Branch, and General Manager of Shaanxi Branch of ICBC. From December 2010 to June 2015, Mr. HUI served as General Manager of the Internal Control and Compliance Department of the ICBC Head Office. From June 2015 to April 2019, he served as Deputy Secretary of Party Discipline Committee and Director of the Discipline Enforcement Department of the ICBC Head Office. From April 2019 to July 2020, Mr. HUI served as Deputy Head of the Discipline Inspection and Supervision Group dispatched to ICBC by the CPC Central Commission for Disciplinary Inspection and the State Committee of Supervisory. From September 2015 to September 2020, Mr. HUI concurrently served as an employee supervisor of ICBC. He graduated from Xiamen University with a Doctor's Degree in Finance. He holds the title of Senior Economist.

**CHU Yiyun**
**External Supervisor**

External Supervisor of the Bank since June 2022. Mr. CHU is currently a professor (national level-2 post) and doctoral supervisor in accounting at Shanghai University of Finance and Economics, a director of the ninth session of the Council of the Accounting Society of China, an accountant specialist recognised by the Ministry of Finance and a member of the second session of the Senior Accounting Professional and Technical Qualification Evaluation Committee of the National Government Offices Administration. Mr. CHU has been serving as the secretary, assistant professor, lecturer, associate professor, postgraduate supervisor, professor, and doctoral supervisor of the Accounting Faculty of Shanghai University of Finance and Economics since 1986. From 2003 to 2005, Mr. CHU served as an expert advisor on accounting standards of the Accounting Standards Committee of the Ministry of Finance. From 2006 to 2010, Mr. CHU served as a council member of the sixth session of the Council of the Finance and Cost Subsociety of the Accounting Society of China. From 2010 to 2016, Mr. CHU served as an independent director of Ping An Bank Co., Ltd. From 2015 to 2021, Mr. CHU served as an independent director of Tellhow Sci-Tech Co., Ltd. From 2016 to 2018, Mr. CHU served as a member of the First Consulting Committee of Corporate Accounting Standards of the Ministry of Finance. From 2016 to 2022, Mr. CHU served as an independent director of Bank of Jiaxing Co., Ltd. From 2017 to 2020, Mr. CHU served as an external supervisor of Ping An Bank Co., Ltd. From 2017 to 2023, Mr. CHU served as an independent director of Huan Xu Electronics Co., Ltd. Mr. CHU has also served as the Executive Secretary-General of the Accounting Education Branch of the Accounting Society of China (formerly known as the Chinese Accounting Professors Association). He currently serves as an independent director of Ping An Insurance (Group) Company of China, Ltd., an independent director of Bank of Hebei Co., Ltd., an independent director of United Overseas Bank (China) Limited, and an independent director of BOCOM Wealth Management Co., Ltd. Mr. CHU graduated from Shanghai University of Finance and Economics with a Doctor's Degree in Management (Accounting) in 1999.

## Senior Management Members

**ZHANG Hui**
**Vice Chairman and President**

Please refer to the section “Directors”

**LIU Jin**
**Executive Vice President**

Executive Vice President of the Bank since April 2024. Mr. LIU joined the Bank in 2024. Mr. LIU served as Executive Vice President of China Development Bank (“CDB”) from September 2021 to January 2024. Prior to that, Mr. LIU had worked in CDB for many years. He served as General Manager of CDB Beijing Branch from September 2021 to August 2022, Director-General of Policy Research Department of CDB from November 2019 to May 2021, and Director-General of Education & Training Bureau and Dean of CDB Institute of Development Finance from January 2018 to November 2019. Before that, he served as Deputy Director-General of Policy Research Department of CDB. Mr. LIU graduated from Peking University and obtained a Bachelor’s Degree of Economics in 1997. He graduated from Xiamen University and obtained a Master’s Degree of Economics in 2000. He holds the qualification of Senior Economist.

**ZHANG Xiaodong**
**Executive Vice President**

Executive Vice President of the Bank since March 2023, and concurrently as President of Shanghai RMB Trading Unit since May 2023. Mr. ZHANG joined the Bank in 2022. Prior to that, Mr. ZHANG had worked in Industrial and Commercial Bank of China (“ICBC”) for many years. He served as General Manager of the Human Resources Department of the Head Office of ICBC from April 2021 to December 2022, General Manager of the Executive Office of the Head Office of ICBC from April 2020 to April 2021, and General Manager of the Private Banking Department of the Head Office of ICBC from March 2018 to April 2020. Before that, he served as Deputy General Manager of the Investment Banking Department of the Head Office of ICBC and Deputy General Manager of Shanghai Branch of ICBC. Mr. ZHANG graduated from Nankai University and obtained a Master’s Degree of Laws in 2000, and then obtained his doctoral degree in Management from Beijing Jiaotong University.

**CAI Zhao**
**Executive Vice President**

Executive Vice President of the Bank since September 2023. Mr. CAI joined the Bank in 2023. Prior to that, Mr. CAI had worked in Agricultural Bank of China ("ABC") for many years. He served as Chief Information Officer of ABC from June 2023 to July 2023, General Manager of Technology and Product Management Bureau of the Head Office of ABC from December 2019 to July 2023, General Manager of the Research & Development Centre of the Head Office of ABC from October 2018 to March 2020, and General Manager of the Software Research and Development Centre of the Head Office of ABC from September 2015 to October 2018. Before that, he served as Deputy General Manager of the Software Research and Development Centre of the Head Office of ABC. Mr. CAI graduated from Shaanxi Institute of Finance and Economics (now Xi'an Jiaotong University) and obtained a Bachelor's Degree of Economics in 1995. He graduated from Sichuan University and obtained a Master's Degree of Engineering in 2003. He holds the qualification of Senior Engineer.

**WU Jian**
**Executive Vice President**

Executive Vice President of the Bank since February 2025. Mr. WU joined the Bank in 2025. From July 2024 to January 2025, he served as Deputy Secretary and Secretary of Discipline Inspection Commission of China Everbright Bank Committee of the Communist Party of China. From January 2021 to July 2024, he served as General Manager of the Human Resources Department of China Everbright Group Ltd. From September 2016 to January 2021, he served as General Manager of the Risk Management and Internal Control & Compliance Department/Legal Department of China Everbright Group Ltd. Before that, he held a number of other roles, including Assistant General Manager of the Risk Management Department of China Construction Bank, General Manager of the Risk Policy Management Department of Shanghai Pudong Development Bank, dispatched director from Central Huijin Investment Ltd. and head of the Everbright Equity Management Division of Integrated Management Department/Banking Institution Management Department II of Central Huijin Investment Ltd. Mr. WU graduated from the graduate school of the Chinese Academy of Social Sciences and obtained a Doctor's Degree of Economics in 1999. He holds the qualifications of Research Fellow and Senior Economist.

**ZHAO Rong**
**Chief Risk Officer**

Chief Risk Officer of the Bank since October 2024 and concurrently as the General Manager of the Risk Management Department of the Bank since September 2024. Ms. ZHAO joined the Bank in 1998. Ms. ZHAO served as Chief Business and Management Officer of the Bank from December 2022 to September 2024. She served as General Manager of Shanghai Branch of the Bank from November 2015 to October 2020, and Executive Vice President of Shanghai RMB Trading Unit from July 2014 to May 2021. Ms. ZHAO served as General Manager of the Executive Office and Spokesperson of the Bank from October 2009 to March 2014. Prior to that, Ms. ZHAO served as Deputy General Manager of the Executive Office, Director of the Personal Banking Department and Deputy General Manager (Wealth Management) of the Personal Banking Unit. Ms. ZHAO graduated from the Graduate School of the People's Bank of China in 1998 with a Doctor' s Degree in Economics. She holds the qualification of Senior Economist.

**ZHUO Chengwen**
**Secretary to the Board of Directors and Company Secretary**

Secretary to the Board of Directors and the Company Secretary of the Bank since March 2024. Mr. ZHUO joined the Bank in 1995. He served as Chief Audit Officer of the Bank from May 2021 to March 2024. Mr. ZHUO served as Chief Risk Officer of BOC Hong Kong (Holdings) Limited from November 2019 to February 2021. He served as Chief Executive and Executive Director of Bank of China Group Insurance Company Limited from June 2016 to November 2019, and as General Manager of the Financial Management Department of the Bank from December 2014 to June 2016. Prior to that, Mr. ZHUO served as Deputy General Manager of New York Branch, Deputy General Manager of the Financial Management Department of the Bank, and Chief Financial Officer of BOC Hong Kong (Holdings) Limited. He concurrently served as the General Manager of the Audit Department of the Bank from January 2022 to March 2024, and the Director of Board Office of the Bank from April 2024 to December 2024. Mr. ZHUO graduated from Peking University with a Master's Degree in Economics in 1995, and obtained a Master's Degree in Business Administration from the City University of New York in 2005. He holds qualifications including the membership of CICPA and HKICPA, among others.

**MENG Qian**
**Chief Information Officer**

Chief Information Officer of the Bank since May 2022, and concurrently as General Manager of the Financial Technology Department and the Business Research and Development Department of the Bank since December 2024. Ms. MENG joined the Bank in 1987. She served as General Manager of the Information Technology Department of the Bank from November 2019 to May 2022, and has concurrently served as General Manager of the Enterprise Architecture Office from September 2020 to December 2024. From December 2014 to November 2019, Ms. MENG served as General Manager of the Software Centre of the Bank. From March 2014 to December 2014, she served as General Manager of the Data Centre of the Bank. She served as General Manager of the Information Centre of the Bank from September 2009 to March 2014, and also concurrently served as General Manager of the Test Centre of the Bank from July 2013 to March 2014. Ms. MENG previously served as Director (Technology Management) of the Information Centre of the Bank, and Deputy General Manager (Person-in-Charge) of the Information Centre of the Bank. Ms. MENG graduated from Beijing Computer Science College and obtained a Bachelor's Degree in Engineering in 1987. She holds the qualification of Senior Engineer.

## Changes in Directors, Supervisors and Senior Management Members

Changes in the Bank's directors were as follows:

Mr. LIN Jingzhen began to serve as member of the Corporate Culture and Consumer Protection Committee of the Board of Directors of the Bank as of 26 February 2024. Mr. LIN Jingzhen ceased to serve as Executive Director, member of the Corporate Culture and Consumer Protection Committee and member of the Risk Policy Committee of the Board of Directors of the Bank as of 7 January 2025 due to the reason of age.

Mr. JIANG Guohua ceased to serve as Independent Director, Chair and member of the Audit Committee, member of the Strategic Development Committee, member of the Corporate Culture and Consumer Protection Committee, member of the Personnel and Remuneration Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank due to work arrangements as of 26 February 2024.

Ms. LIU Xiaolei began to serve as Independent Director, Chair and member of the Audit Committee, member of the Strategic Development Committee, member of the Risk Policy Committee, member of the Personnel and Remuneration Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 26 March 2024. Ms. LIU Xiaolei ceased to serve as member of the Strategic Development Committee of the Board of Directors of the Bank as of 20 December 2024 due to personal working arrangement.

Ms. LOU Xiaohui began to serve as Non-executive Director, member of the Strategic Development Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 1 April 2024.

Mr. ZHANG Yi began to serve as Executive Director, member of the Strategic Development Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 3 April 2024. Mr. ZHANG Yi ceased to serve as Executive Director, member of the Strategic Development Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 16 May 2024 due to work adjustments.

Mr. E Weinan ceased to serve as Independent Director, member of the Strategic Development Committee, member of the Corporate Culture and Consumer Protection Committee and member of the Personnel and Remuneration Committee of the Board of Directors of the Bank as of 5 July 2024 due to personal work arrangements.

Mr. LIU Jin* ceased to serve as Vice Chairman, Executive Director and member of the Strategic Development Committee of the Board of Directors of the Bank as of 25 August 2024 due to personal reasons.

Mr. LIU Hui began to serve as member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 20 December 2024.

Mr. ZHANG Hui began to serve as Vice Chairman, Executive Director and member of the Strategic Development Committee of the Board of Directors of the Bank as of 8 January 2025.

Mr. LI Zimin began to serve as Non-executive Director and member of the Strategic Development Committee of the Board of Directors of the Bank as of 11 March 2025.

The Shareholders' Meeting of the Bank reviewed and approved a proposal regarding the election of Ms. ZHANG Ran as Independent Director of the Bank. Such appointment is subject to approval by relevant authorities.

Newly appointed Directors Mr. ZHANG Hui, Mr. ZHANG Yi, Ms. LOU Xiaohui, Ms. LIU Xiaolei and Mr. LI Zimin have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and have confirmed that they understood their obligations as directors of the Bank on 16 December 2024, 8 March 2024, 14 March 2024, 26 March 2024 and 26 December 2024, respectively.

Changes in the Bank's supervisors were as follows:

Ms. ZHANG Keqiu ceased to serve as Chairwoman of the Board of Supervisors, Shareholder Supervisor and Chair of the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors of the Bank as of 5 February 2024 due to reason of age.

Mr. JIA Xiangsen began to serve as member of the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors of the Bank as of 11 March 2024.

Mr. ZHOU Hehua ceased to serve as Employee Supervisor, member of the Duty Performance and Due Diligence Supervision Committee and member of the Finance and Internal Control Supervision Committee of the Board of Supervisors as of 28 October 2024 due to work adjustments.

Changes in the Bank's senior management members were as follows:

Mr. ZHUO Chengwen began to serve as Secretary to the Board of Directors and Company Secretary of the Bank, and ceased to serve as Chief Audit Officer of the Bank as of 25 March 2024.

Mr. LIU Jin began to serve as Executive Vice President of the Bank as of 3 April 2024.

Mr. ZHANG Yi ceased to serve as Executive Vice President of the Bank as of 16 May 2024 due to work adjustments.

Mr. LIU Jin* ceased to serve as President of the Bank as of 25 August 2024 due to personal reasons.

Mr. LIU Jiandong ceased to serve as Chief Risk Officer of the Bank as of 12 September 2024 due to the change of job.

Ms. ZHAO Rong ceased to serve as Chief Business and Management Officer of the Bank as of 12 September 2024 due to the change of job. Ms. ZHAO Rong began to serve as Chief Risk Officer of the Bank as of 15 October 2024.

Mr. ZHANG Hui began to serve as President of the Bank as of 23 December 2024.

Mr. LIN Jingzhen ceased to serve as Executive Vice President of the Bank as of 7 January 2025 due to the reason of age.

Mr. WU Jian began to serve as Executive Vice President of the Bank as of 24 February 2025.

# Corporate Governance

## Overview of Corporate Governance

The Bank takes excellent corporate governance as an important objective. It consistently improves the modern financial enterprise system with Chinese characteristics and integrates the Party's leadership with its corporate governance improvement efforts. Adhering to the rules and regulations governing capital markets and relevant industries, the Bank constantly strives to improve its corporate governance framework, which mainly comprises the shareholders' meeting, the Board of Directors, the Board of Supervisors and the Senior Management. This framework operates smoothly owing to a clear division of duties. All special committees of the Board of Directors and the Board of Supervisors performed their duties and functioned effectively, thereby enhancing the Bank's modern corporate governance capabilities.

First, continuously improving the corporate governance systems and mechanisms. The Bank persistently followed up and fully implemented regulatory requirements, accelerated efforts to construct its corporate governance system, and proactively re-examined and systematically reviewed the Articles of Association, the rules of procedure of the shareholders' meeting, the Board of Directors and each special committee, and the corporate governance systems for information disclosure and investor relations, etc. During the reporting period, the Bank revised the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting* and the *Scheme on the Authorisation to the President Granted by the Board of Directors* and formulated the *Administrative Measures for the Authorisation by the Board of Directors.* These documents further clarifies the responsibilities of the shareholders' meeting, the Board of Directors, and the Senior Management, and establishes the institutional framework necessary for the effective functioning of these governing bodies and the fulfilling of their respective roles and responsibilities.

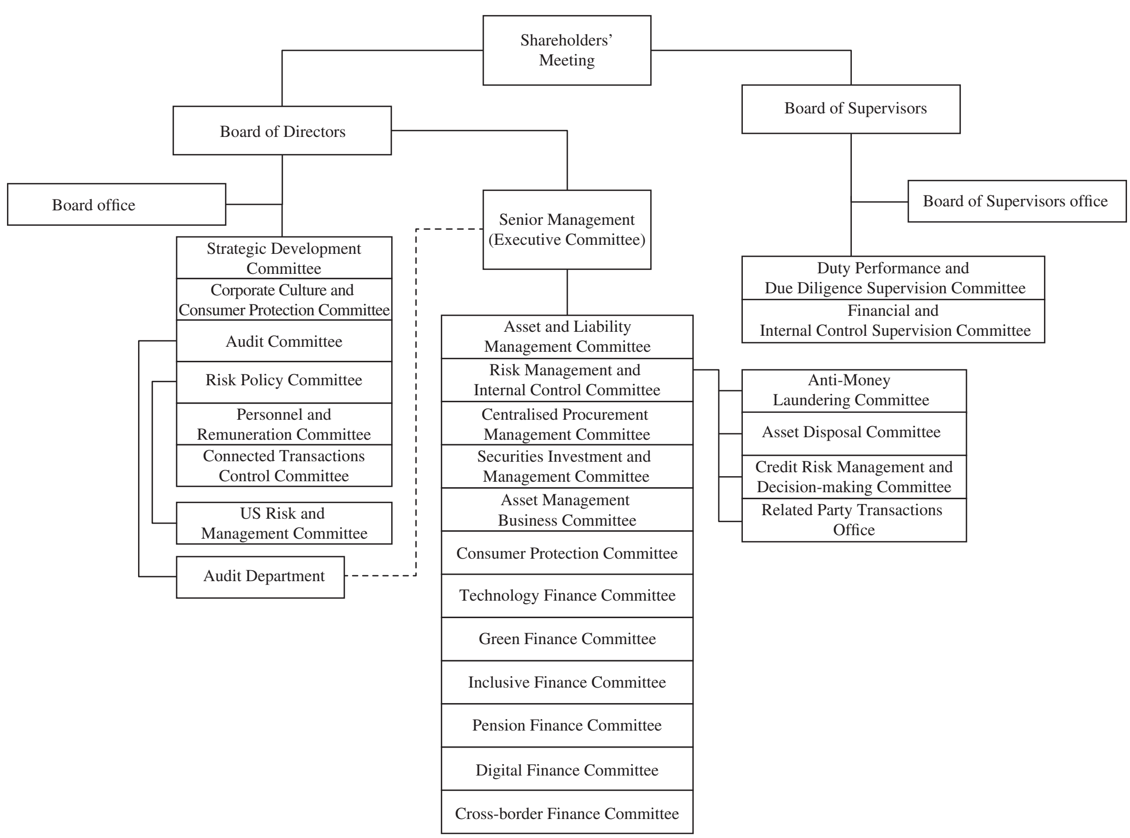
Second, optimising corporate governance operating mechanisms. The Bank consistently made improvements to the operational efficiency of the Board of Directors and its special committees, fulfilled its compliance obligations with regard to information disclosure, and optimised its investor relations management practices. During the reporting period, the Bank continuously improved the composition of the Board of Directors and its special committees, enhanced the quality and efficiency of communication between the Board of Directors and Senior Management, and strengthened the support and safeguards for the directors' performance of duties in a well-coordinated way. It has consistently produced financial reports of the highest standards in the industry, proactively disclosed information in response to market concerns and adhered to the principle of compliance with regard to information disclosure. In addition, the Bank enhanced the quality and efficiency of its communication with capital markets, effectively conveying its investment value and safeguarding the rights and interests of minority shareholders.

Third, promoting Board diversity. The Bank places significant emphasis on the diversity of its Board of Directors. It is committed to promoting Board diversity to ensure scientific, professional and efficient decision-making by the Board. During the reporting period, the Bank reviewed the *Bank of China Limited Board Diversity Policy*, taking various objectives and requirements for diversity into full consideration throughout the director selection process, including directors' gender, age, cultural and educational background, geographical location, professional experience, skills and knowledge, as well as regulatory requirements. The members of the Bank's Board of Directors have extensive industry experience. During the reporting period, the joining of newly appointed members further contributed their expertise in economics, finance, financial accounting, and risk management to the Board. Currently the Board of Directors has successfully fulfilled its diversity commitments in all respects, including gender diversity.

In 2024, the Bank's corporate governance performance received continuous recognition from capital markets and the public, including being awarded "Best Practice Case for Board of Directors of Public Companies" by the China Association for Public Companies.

## Corporate Governance Framework

As of 31 December 2024, the corporate governance framework of the Bank is as follows:



## Corporate Governance Compliance

During the reporting period, the actual performance of the Bank's corporate governance was fully in compliance with laws, administrative regulations, and the requirements for the governance of listed companies of the CSRC.

During the reporting period, the Bank strictly observed the *Corporate Governance Code* (the "Code") as set out in Appendix C1 to the Hong Kong Listing Rules, complied with all the applicable provisions of the Code and has substantially complied with most of the recommended best practices set out in the Code.

## Amendments to the Articles of Association

During the reporting period, the Bank constantly monitored updates to the new Company Law and other laws, regulations and regulatory rules, and initiated a new round of amendments to its Articles of Association. The Bank will take the opportunity presented by these amendments to the Articles of Association to further enhance and more closely embed the Party's leadership into its corporate governance, while also implementing a more refined corporate governance framework including law-based and transparent powers and responsibilities, coordinated operations and effective checks and balances.

# Shareholders and Shareholders' Rights

The Bank highly values the protection of its shareholders' interests and has established and maintained an effective and multi-channel shareholder communication platform. This includes holding shareholders' meetings and maintaining an investor hotline to ensure that all shareholders are treated equally, properly informed and able to participate in and exercise their voting and other rights regarding the major issues of the Bank. The Bank is independent and completely autonomous in all of its business operations. It operates independently and separately from its controlling shareholder, Huijin, in respect of its business, personnel, asset, institutional and financial matters.

## Shareholders' Right to Convene an Extraordinary Shareholders' Meeting and a Classified Shareholders' Meeting

According to the Articles of Association, shareholders who individually or jointly hold more than 10% of the total voting shares of the Bank have the right to request the Board of Directors to convene an extraordinary general meeting. The requests shall be made in writing. The Board of Directors shall give written response on whether such request is consented to within ten days from the date of receipt of such request in accordance with laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall give notice on convening the extraordinary general meeting within five days from making the board resolutions. For any change to the original proposals stated in the notice, it shall obtain relevant shareholders' consent.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within ten days from the date of receipt of such request, a shareholder or shareholders who individually or jointly hold more than 10% of the total voting shares of the Bank shall have the right to request the Board of Supervisors to convene an extraordinary general meeting in writing.

If the Board of Supervisors agrees to convene an extraordinary general meeting, it shall give a notice on convening the extraordinary general meeting within five days from the date of receipt of the request. For any change to the original proposals stated in the notice, it shall obtain the relevant shareholders' consent.

If the Board of Supervisors fails to issue notice of a shareholders' meeting within the prescribed period, it shall be deemed that the Board of Supervisors refuses to convene and preside over the shareholders' meeting. A shareholder or shareholders individually or jointly holding more than 10% of the total voting shares of the Bank for over 90 consecutive days may voluntarily convene and preside over such meeting.

Two or more shareholders jointly holding more than 10% of the total voting shares of the Bank may sign one or more written requests of identical form and content requesting the Board of Directors to convene a classified shareholders' meeting. The aforesaid shares shall be calculated as of the date on which the written request is made by the shareholder(s).

When shareholders decide to convene a shareholders' meeting on its/their own initiative, it/they shall notify the Board of Directors in writing and at the same time notify the stock exchanges. The notice shall comply with the relevant provisions of the Articles of Association, and the venue of the meeting shall be the Bank's domicile.

The shares held by the convening shareholders shall not fall less than 10% before the poll result announcement of the shareholders' meeting is published.

The convening shareholders shall, upon issuing notice of the shareholders' meeting and the poll result announcement of the shareholders' meeting, submit relevant certificate documentations to the stock exchanges.

The expenses necessary for the shareholders' meeting convened by the Board of Supervisors or shareholders on its/their own initiative shall be borne by the Bank.

### Shareholders' Right to Propose Resolutions at Shareholders' Meetings

According to the Articles of Association, any shareholder eligible to propose resolutions shall have the right to propose and submit in writing to the Board of Directors interim proposals 10 days prior to the convening of a shareholders' meeting. When the Board of Directors decides not to include such proposals on the meeting agenda, it shall explain and clarify the reasons at the shareholders' meeting. When the proposing shareholders dissent with the Board of Directors' decision to exclude such proposals, they may request to call for an extraordinary shareholders' meeting by themselves based on the procedures stipulated in the Articles of Association.

### Shareholders' Right to Present Enquiries

According to the Articles of Association, any shareholder who holds severally or jointly with others 5% or more voting shares of the Bank shall have the right to present enquiries to the shareholders' meeting. The Board of Directors, the Board of Supervisors, or other relevant senior management members shall attend the shareholders' meeting, accept enquiries, and answer or explain accordingly.

Please refer to the Articles of Association for details of the rights pertaining to shareholders. If shareholders need to contact the Board of Directors regarding the aforementioned items or for other enquiries to the Board of Directors, please refer to the section "Reference for Shareholders – Investor Enquiry" for contact details.

## Shareholders' Meeting

### Functions and Powers of the Shareholders' Meeting

The shareholders' meeting is the body of authority of the Bank. The shareholders' meeting is responsible for making decisions on the important issues of the Bank, including considering and approving the Bank's profit distribution plan, annual financial budget and financial statements, changes in the Bank's registered capital, adopting resolutions on matters such as the issuance of bonds and other securities, merger and division, amending the Articles of Association, electing directors, electing shareholders' representative supervisors and external supervisors and deciding the remunerations of directors and supervisors.

## Convening of Shareholders' Meetings during the Reporting Period

On 26 February 2024, the Bank held its 2024 First Extraordinary General Meeting on-site in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved proposals including the election of Mr. ZHANG Yi as Executive Director of the Bank, the election of Ms. LOU Xiaohui as Non-executive Director of the Bank, the election of Ms. LIU Xiaolei as Independent Non-executive Director of the Bank, and the issuance quota and issuance arrangement of total loss-absorbing capacity non-capital bonds. The proposal regarding the issuance quota and issuance arrangement of total loss-absorbing capacity non-capital bonds was a special resolution, while the rest of the proposals were ordinary resolutions.

On 28 June 2024, the Bank held its 2023 Annual General Meeting on-site in Beijing and Hong Kong SAR, with both venues connected by way of video conference. A-Share Holders could also cast votes online. This meeting considered and approved proposals including the 2023 work report of the Board of Directors, the 2023 work report of the Board of Supervisors, the 2023 annual financial report, the 2023 profit distribution plan, the 2024 interim profit distribution arrangement, the fixed asset investment budget for 2024, the engagement of accountants to provide 2024 interim review and other professional services, the 2023 remuneration distribution plan for external supervisors, and the bond issuance plan, among others. The meeting also heard the report on connected transactions for 2023, the duty report of Independent Directors for 2023, and a report on the implementation of the *Scheme on the Authorisation to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* for 2023. The proposal regarding the bond issuance plan was a special resolution, while the rest of the proposals were ordinary resolutions.

On 24 September 2024, the Bank held its 2024 Second Extraordinary General Meeting on-site in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved proposals including the amendments to *the Procedural Rules for Board of Supervisors of Bank of China Limited*, the application for special outbound donation limit, the engagement of the Bank's external auditors for 2024, the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited (Revised in 2024)* and the abolishment of *the Management Measures for Investment Approval of Bank of China Limited*, among others. The meeting also heard *the 2023 Evaluation Report on the Substantial Shareholder of Bank of China*. The proposal regarding the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited (Revised in 2024)* was a special resolution, while the rest of the proposals were ordinary resolutions.

On 20 December 2024, the Bank held its 2024 Third Extraordinary General Meeting on-site in Beijing. A-Share Holders could also cast votes online. The meeting considered and approved proposals including the 2023 remuneration distribution plan for the Chairman of the Board of Directors and Executive Directors, the 2023 remuneration distribution plan for Chairwoman of the Board of Supervisor, the interim profit distribution plan for 2024, the election of Mr. ZHANG Hui as Executive Director of the Bank, the re-election of Mr. HUANG Binghua as Non-executive Director of the Bank, the re-election of Mr. Jean-Louis EKRA as Independent Non-executive Director of the Bank, the election of Ms. ZHANG Ran as Independent Non-executive Director of the Bank, and the Election of Mr. LI Zimin as Non-executive Director of Bank of China Limited. All the proposals were ordinary resolutions.

The aforementioned meetings were convened and held in strict compliance with the relevant laws and regulations as well as the listing rules of the SSE and the Hong Kong Stock Exchange. The Bank's directors, supervisors and senior management members attended the meetings and communicated with shareholders on issues of their concern.

The Bank issued announcements on the resolutions and legal opinions of the aforementioned shareholders' meeting on 26 February 2024, 28 June 2024, 24 September 2024 and 20 December 2024 respectively, pursuant to regulatory requirements. Please refer to the websites of the SSE, the HKEX and the Bank.

## Implementation of the Resolutions Passed at the Shareholders' Meeting by the Board of Directors

During the reporting period, the Board of Directors fully implemented the resolutions passed at the shareholders' meetings and the scheme on the authorisation to the Board of Directors granted by the shareholders' meeting, and earnestly carried out proposals regarding the 2023 profit distribution plan, the 2024 annual budget for fixed assets investment, the appointments of directors, and so on.

## Board of Directors

### Functions and Powers of the Board of Directors

The Board of Directors, which is responsible to the shareholders' meeting, is the Bank's decision-making body. The Board of Directors exercises the following functions and powers as specified by the Articles of Association: convening shareholders' meetings, reporting to shareholders' meetings and implementing the resolutions of shareholders' meetings, formulating the Bank's development strategies and supervising their implementation, formulating the Bank's annual financial budgets and final financial accounts, formulating the Bank's plans for profit distribution, loss recovery and risk assets distribution, formulating plans for increasing or decreasing registered capital, issuing and listing other securities, and issuing bonds of the Bank, formulating plans for major acquisitions, the acquisition of the Bank's shares, and the combination, splitting, dissolution or change of the corporate form of the Bank, reviewing and approving the Bank's external investment, asset acquisition, asset disposal and write-off, asset mortgage, connected transactions, outward donations and data governance, etc., in accordance with laws and policies, regulatory provisions, and the Articles of Association and authorisation plans, reviewing and approving the Bank's basic management policies, internal management framework and the establishment of important branches and subsidiaries, appointing or dismissing senior management members of the Bank, researching and appointing Chairs and members of the special committees of the Board of Directors, reviewing and approving the corporate governance policies of the Bank, reviewing and approving the Bank's legal and compliance policies and relevant basic management rules, formulating revision plans for the Articles of Association, developing procedural rules for the shareholders' meeting and the Board of Directors meetings, and reviewing and approving the work rules of the special committees of the Board of Directors, deciding on human resources and remuneration strategies and remuneration policies for senior management members of the Bank, carrying out performance evaluation for senior management members, and deciding on matters of material incentive and constraint for senior management members, reviewing and approving the information disclosure policies of the Bank, leading the Bank's information disclosure efforts and assuming ultimate responsibility for the authenticity, accuracy, integrity and timeliness of the accounting and financial reports of the Bank, proposing the appointment or dismissal of accounting firms for the regular statutory audit of financial reports of the Bank to the shareholders' meeting, hearing work reports from the Bank's President and other senior management members, and supervising them in fulfilling their management responsibilities, hearing reports on regulatory opinions on the Bank and progress in rectification by the Bank, hearing regular and non-periodical reports from external auditors, reviewing and approving the Bank's annual report, formulating the capital planning of the Bank and assuming ultimate responsibility for capital management, formulating the Bank's policies for risk tolerance, risk management and internal control and assuming ultimate responsibility for comprehensive risk management, regularly assessing and improving the corporate governance of the Bank, protecting legitimate rights of financial consumers and other stakeholders, establishing mechanisms for identifying, reviewing, and managing conflicts of interest between the Bank and shareholders, especially substantial shareholders, taking responsibility for the management of shareholder affairs, and other functions as stipulated by laws, regulations and the Articles of Association, and as granted by the shareholders' meeting.

The Bank has established relevant mechanisms to ensure that the Board of Directors has access to independent opinions and comments. According to the Articles of Association, special committees of the Board of Directors may engage intermediaries to issue professional opinions in the course of performing their duties. Independent directors may also exercise their special functions and powers as specified in the Articles of Association and engage external auditors and consultants such as law firms and accounting firms to provide assistance at the expense of the Bank. Upon review, such mechanisms were effectively implemented during the year, and the professional opinions issued by relevant specialised institutions were fully utilised by the special committees of the Board of Directors and independent directors in the performance of their duties.

## Composition of the Board of Directors

The Board of Directors has set up the Strategic Development Committee, the Corporate Culture and Consumer Protection Committee, the Audit Committee, the Risk Policy Committee, the Personnel and Remuneration Committee and the Connected Transactions Control Committee, as well as the US Risk and Management Committee established under the Risk Policy Committee. These committees assist the Board of Directors in performing its functions under the authorisation of the Board of Directors.

The Board of Directors of the Bank is rationally structured and diversified. Currently, the Board of Directors comprises 14 members. In addition to the Chairman, there is 1 executive director, 7 non-executive directors and 5 independent directors. The proportion of independent directors reaches one-third of the total number of directors. The Bank's directors are elected at the shareholders' meeting, with a term of office of three years starting from the date when the Bank receives approval of the appointment from relevant regulatory authorities. A director may serve consecutive terms by re-election and re-appointment unless otherwise specified by laws, regulations, supervisory requirements and the Articles of Association. The positions of Chairman and President of the Bank are assumed by two persons.

For detailed background and an explanation of recent changes to the Board membership, please refer to the section "Directors, Supervisors and Senior Management Members".

## Convening of Board Meetings

In 2024, the Bank convened twelve on-site meetings of the Board of Directors on 26 January, 26 February, 28 March, 28 April, 7 June, 21 June, 19 August, 29 August, 12 September, 28 October, 2 December and 20 December, respectively, and one meeting via written resolutions on 25 August. The Board reviewed 106 proposals. The proposals covered matters such as the Bank's regular reports, the nomination of candidates for directorships, the adjustment of members of special committees of the Board of Directors, the appointment of senior management members, the bond issuance plans, the profit distribution, etc. It also heard 25 reports related to the Group's Enterprise risk reports, strategic plan implementation and other matters.

## Risk Management and Internal Control by the Board of Directors and its Special Committees

According to regulatory rules and internal management requirements, the Senior Management submits important risk management policies, rules and procedures to the Board of Directors and Risk Policy Committee for review and approval. The Risk Policy Committee regularly reviews the Group's overall risk status (covering major risk categories such as credit risk, market risk, operational risk, liquidity risk, legal and compliance risk and reputational risk) and upcoming work plan, and puts forward corresponding work requirements.

The Board of Directors and its Risk Policy Committee have acknowledged the comprehensive effectiveness of the existing risk management system of the Bank based on their close monitoring and evaluation of the system's effectiveness.

The Board of Directors attached great importance to the Group's long-acting internal control system and continued to promote its development. It regularly heard and reviewed Senior Management reports concerning the implementation of the *Guidelines on Internal Control of Commercial Banks*, as well as bank-wide operational management, risk management, fraud case management and internal control system development and assessment of the Bank, thus earnestly assuming its responsibility to establish, optimise and effectively implement internal control systems.

The Audit Committee under the Board of Directors closely monitored the changing economic and financial environment at home and abroad, as well as the overall conditions of the Group's internal control function, including the establishment and operation of its internal control systems for both financial reporting and non-financial reporting. In addition, the committee heard and reviewed, on a regular and ad hoc basis, internal audit reports and assessment opinions on internal control, reports on the progress of internal control improvements and remediation suggested by external auditors, as well as the overall situation regarding the prevention, control and rectification of fraud cases and risk events.

During the reporting period, the Bank performed self-assessment on internal control in line with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines. No material deficiencies were identified in the internal control systems for both the financial reporting and non-financial reporting of the Bank. Ernst & Young Hua Ming LLP, as the Bank's external auditor for internal control, audited the effectiveness of the Bank's internal controls over financial reporting and issued an unqualified opinion. The *2024 Internal Control Assessment Report of Bank of China Limited* and the *2024 Auditor's Report on Internal Control of Bank of China Limited* issued by Ernst & Young Hua Ming LLP have been published on the websites of the SSE, the HKEX and the Bank.

## Duty Performance of Directors

### Directors' Attendance of Shareholders' Meetings, Meetings of the Board of Directors and Special Committees

During the reporting period, the attendance of each director at the shareholders' meetings, meetings of the Board of Directors and special committees is given below.

| | | | *Number of meetings attended in person/Number of meetings convened during term of office* | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | **Meetings of the Special Committees of the Board of Directors** | | | | | |
| **Directors** | **Shareholders' Meetings** | **Meetings of the Board of Directors** | **Strategic Development Committee** | **Corporate Culture and Consumer Protection Committee** | **Audit Committee** | **Risk Policy Committee** | **Personnel and Remuneration Committee** | **Connected Transaction Control Committee** |
| **Incumbent Directors** | | | | | | | | |
| GE Haijiao | 4/4 | 12/13 | 4/5 | – | – | – | – | – |
| ZHANG Hui | 0/0 | 0/0 | 0/0 | – | – | – | – | – |
| ZHANG Yong | 4/4 | 13/13 | 5/5 | – | 9/9 | 7/7 | – | – |
| ZHANG Jiangang | 4/4 | 13/13 | 5/5 | – | 9/9 | – | – | – |
| HUANG Binghua | 4/4 | 13/13 | – | 4/4 | – | 7/7 | 11/11 | – |
| LIU Hui | 4/4 | 13/13 | 5/5 | – | – | 7/7 | – | 0/0 |
| SHI Yongyan | 4/4 | 13/13 | 5/5 | 4/4 | – | – | 11/11 | – |
| LOU Xiaohui | 3/3 | 10/10 | 3/3 | – | – | – | – | 2/2 |
| LI Zimin | 0/0 | 0/0 | 0/0 | – | – | – | – | – |
| Martin Cheung Kong LIAO | 4/4 | 13/13 | 5/5 | – | 9/9 | – | 11/11 | 4/4 |
| CHUI Sai Peng Jose | 4/4 | 12/13 | – | 4/4 | – | 7/7 | 9/11 | 4/4 |
| Jean-Louis EKRA | 3/4 | 12/13 | 5/5 | 4/4 | – | 7/7 | – | – |
| Giovanni TRIA | 4/4 | 13/13 | 5/5 | 3/4 | 8/9 | – | – | 3/4 |
| LIU Xiaolei | 3/3 | 11/11 | 4/4 | – | 7/7 | 5/5 | 7/7 | 2/2 |
| **Former Directors** | | | | | | | | |
| LIU Jin* | 2/2 | 6/7 | 3/3 | – | – | – | – | – |
| LIN Jingzhen | 4/4 | 12/13 | – | 2/4 | – | 5/7 | – | – |
| ZHANG Yi | 0/0 | 1/1 | 1/1 | – | – | – | – | 0/0 |
| JIANG Guohua | 1/1 | 2/2 | 1/1 | – | 1/1 | – | 3/3 | 1/1 |
| E Weinan | 2/2 | 6/6 | 3/3 | 2/2 | – | – | 5/5 | – |

Notes:

1. Directors Mr. GE Haijiao, Mr. CHUI Sai Peng Jose, Mr. Jean-Louis EKRA, Mr. Giovanni TRIA and Mr. LIN Jingzhen, who were unable to attend the Meetings of the Board of Directors and its special committees in person, had appointed other Directors to attend and exercise their voting rights on their behalf.

2. In 2024, no director held any objection to the proposals considered during the meetings of the Board of Directors and its special committees.

## Training and Expertise Enhancement of Directors

In 2024, the Board of Directors paid significant attention to enhancing directors' expertise, with a special focus on arranging relevant training. All directors of the Bank fully observed Rule C.1.4 of the Code as well as Chinese mainland regulatory requirements, actively participating in relevant training. The Bank's directors also took it upon themselves to enhance their professional skills in various ways, including attending forums and seminars, meeting with domestic and overseas regulators, and conducting on-site research exercises at the Bank's domestic and overseas branches as well as at other advanced banks.

## Independence and Duty Performance of Independent Directors

There are currently five independent directors on the Board of Directors. This reaches one-third of the total number of directors and is thus in compliance with the quorum requirement specified in the Articles of Association and relevant regulatory requirements. For the professional backgrounds and other details of the independent directors, please refer to the section "Directors, Supervisors and Senior Management Members". During the reporting period, independent directors individually served as Chairs of the Audit Committee, the Personnel and Remuneration Committee and the Connected Transactions Control Committee. The Bank has received the annual confirmation in writing from each independent director with regard to their independence. Based on these confirmations and relevant information in possession of the Board of Directors, the Bank confirms their independent status.

In 2024, the Bank's independent directors attended meetings of the Board of Directors, reviewed proposals, participated in discussions and offered their professional opinions independently, objectively and diligently, in accordance with the Articles of Association, the *Procedural Rules for Board of Directors of Bank of China Limited* and the *Rules for Independent Directors of Bank of China Limited*. Please refer to the section "Directors' Attendance of the Shareholders' Meeting, Meetings of the Board of Directors and Special Committees" for the attendance of independent directors at meetings.

In 2024, independent directors put forward constructive recommendations on the Bank's capital management, risk control, green finance and financial technology, among others. These recommendations were adopted and diligently implemented by the Bank.

### Responsibility Statement of Directors on Financial Reports

The following statement, which sets out the responsibilities of the directors regarding financial statements, should be read in conjunction with, but understood separately from, the auditor's statement of their responsibilities as set out in the Independent Auditor's Report contained in this annual report.

The directors acknowledge that they are responsible for preparing financial statements of the Bank that truly represent the operating results of the Bank for each financial year. To the best knowledge of the directors, there was no material event or condition during the reporting period that might have a material adverse effect on the continuing operation of the Bank.

## Special Committees of the Board of Directors

### Strategic Development Committee

The Strategic Development Committee comprises eleven members, including Chairman Mr. GE Haijiao, Vice Chairman and President Mr. ZHANG Hui, Non-executive Directors Mr. ZHANG Yong, Mr. ZHANG Jiangang, Mr. LIU Hui, Mr. SHI Yongyan, Ms. LOU Xiaohui and Mr. LI Zimin and Independent Directors Mr. Martin Cheung Kong LIAO, Mr. Jean-Louis EKRA, and Mr. Giovanni TRIA. Chairman Mr. GE Haijiao serves as Chair of the committee.

The main duties of the Strategic Development Committee are: to review and examine the Bank's strategic development plans submitted by the Senior Management and supervise the implementation of the strategic development plan, to review and examine strategy adjustment plans submitted by the Senior Management after evaluating factors possibly affecting the Bank's strategies and their implementation in accordance with international and domestic economic and financial circumstances and market trends, to review and examine the Bank's annual budget, to review and examine the capital plans of the Bank, and urge the Senior Management to make efforts in capital management, to review and examine the information technology strategic development plans of the Bank, to review and examine the green credit strategy, and supervise the Bank's implementation of the green credit strategy, to review and examine the development strategic plan, basic management systems of the Bank's inclusive finance business, to review and examine the annual business plan, assessment methods and evaluation, etc. for the Bank's inclusive finance business, to review and examine the significant investment and financing plans of the Bank submitted by the Senior Management, to review and examine the merger and acquisition plans of the Bank submitted by the Senior Management, to review and examine substantial internal reorganisation and adjustment plans of the Bank, to review and examine strategic development plans, policies and systems, etc. in relation to strategic development needs, other regulatory requirements and operational needs, and to supervise the implementation thereof, and to submit advice and suggestions to the Board of Directors regarding the above matters.

In 2024, the Strategic Development Committee held five on-site meetings on 26 January, 28 March, 28 April, 29 August, and 28 October, respectively. The committee mainly reviewed the proposals on the Business Plan and Financial Budget for 2024, the Fixed Asset Investment Budget for 2024, the Profit Distribution Plan for 2023, the 2024 Business Plan of the Inclusive Finance Department, the Report on Green Finance Development in 2023 and Work Plan for 2024, the Bond Issuance Plan, the Dividend Distribution Plan of Preference Shares, and the Application for Special Outbound Donation Limit for Targeted Support. It debriefed the Report on Development Plan Implementation for 2023, Report on Development Plan Implementation for the First Half of 2024, and Report on IT Strategy Implementation, etc.

Moreover, in response to changes in the international and domestic economic and financial situation, the Strategic Development Committee also stepped up its analysis of the prevailing opportunities and challenges, putting forward many important comments and recommendations regarding the Bank's efforts to implement its Development Plan, accelerating business transformation and development, and improving the quality and efficiency of its service to the real economy, thus providing strong support to the scientific decision-making of the Board of Directors.

### Corporate Culture and Consumer Protection Committee

The Corporate Culture and Consumer Protection Committee comprises five members, including Non-executive Directors Mr. HUANG Binghua and Mr. SHI Yongyan, and Independent Directors Mr. CHUI Sai Peng Jose, Mr. Jean-Louis EKRA, and Mr. Giovanni TRIA. Non-executive Director Mr. HUANG Binghua serves as Chair of the committee and Independent Director Mr. Giovanni TRIA serves as Vice Chair of the committee.

The main duties of the Corporate Culture and Consumer Protection Committee are: to review and examine the Bank's corporate culture development plans and policies, etc., and urge the implementation of the above plans and policies, etc., to urge the Senior Management to examine and assess the implementation of the Bank's values, and guide the refinement and elaboration, promotion and popularisation, education and training, and implementation of the value concepts system, to urge the Senior Management to build a corporate culture work evaluation system, and oversee and assess the development and implementation of the Bank's corporate culture, to review and examine the Bank's employee code of conduct and urge the Senior Management to put in place a matching implementation mechanism, to review and examine the Bank's consumer protection strategies, policies, objectives, etc., and supervise and evaluate the Bank's consumer protection work, to review and examine the Bank's environmental, social and governance related development plans, policies and reports, urge the Senior Management to identify, assess and manage important issues regarding environment, society and governance, and review and examine appropriate and effective environmental, social and governance risk management and internal control systems established and submitted by the Senior Management, to regularly hear the reports on the Bank's corporate culture building, environmental, social and governance and consumer protection work, and to raise advice and suggestions on the above matters to the Board of Directors.

In 2024, the Corporate Culture and Consumer Protection Committee held four on-site meetings on 27 March, 25 April, 28 August and 25 October, respectively, at which it reviewed the 2023 Corporate Social Responsibility Report (Environmental, Social and Governance), the 2023 Work Summary and 2024 Work Plan for Consumer Protection and Report on 2023 Internal Assessment Results for Consumer Protection, etc. In addition, it regularly heard reports on complaints management and consumer protection supervision and evaluation, undertook overall planning and detailed deployment of the Bank's consumer protection work, and put forward many helpful and constructive opinions.

**Audit Committee**

The Audit Committee comprises five members, including Non-executive Directors Mr. ZHANG Yong and Mr. ZHANG Jiangang, and Independent Directors Mr. Martin Cheung Kong LIAO, Mr. Giovanni TRIA and Ms. LIU Xiaolei. Independent Director Ms. LIU Xiaolei serves as Chair of the committee.

The main duties of the Audit Committee are to review and examine the appointment, renewal and replacement of the external auditor, and the related audit fees, to evaluate the external auditor's performance and oversee its independence, work process, quality and results, to review and examine the external auditor's annual report, the audited annual financial statements, discussion and analysis of the operation and any other interim financial statements, to prepare a judgmental report regarding the truthfulness, completeness and correctness of the financial information contained in the audited annual financial statements of the Bank, to review the external auditor's findings and recommendations relating to the financial management and control processes, to review with the external auditor significant issues regarding the application of accounting principles and the preparation of financial statements, to review and examine the annual plan and scope of work of the external auditor, to review and examine significant accounting and auditing policies and important auditing regulations, to review and examine the disclosure of financial information of the Bank, to review and examine the Internal Auditing Charter and other important policies, reports and organisational structure of the audit department, to review and examine the medium and long-term audit plans and annual audit plan, and guide, evaluate and appraise the internal audit work, to review and examine the appointment of the chief audit officer and, when appropriate, propose the termination and replacement of the chief audit officer, who shall report directly to the Board of Directors and the Audit Committee, to review the qualifications, performance and independence of the chief audit officer and his/her compensation, to urge the Bank to implement internal controls and management, to review and examine the significant audit findings to the Senior Management prepared by the internal audit department and the Senior Management's response thereto, to review and examine the Senior Management's plans to address significant deficiencies and material weaknesses in the design or operation of internal controls and financial reporting, to discuss the deficiencies of the Bank's internal control system with the chief audit officer and the external auditor, and any special audit steps adopted in light of material control deficiencies, to review and examine the report on fraud cases, to review and examine employee reporting system and urge the Bank to conduct fair investigation and to take appropriate measures regarding the matters reported by the employees, to raise advice and suggestions on the above matters to the Board of Directors.

In 2024, the Audit Committee held nine on-site meetings on 25 January, 27 March, 27 April, 7 June, 11 July, 19 August, 29 August, 28 October and 19 December, respectively. It mainly reviewed and approved the plan and financial budget for 2024 internal audit, reviewed the Bank's 2023 financial report, 2024 interim financial report and quarterly financial reports for the first and third quarters of 2024, 2023 internal control work report, 2023 internal control assessment report, and the audit results on internal control and related management recommendations, among others. In addition, it heard a report on the Senior Management's response to external auditor's management proposal for 2023, the report on the progress of the internal control audit of external auditor in 2023, updates on compliance with the independence requirements, the audit plan for 2024 of external auditor, reports on internal audit in 2023 and the first half of 2024, the 2023 report on overseas supervision information, and the report on the prevention and control of external cases in 2023.

Moreover, in response to changes in domestic and overseas economic and financial situation, the Audit Committee paid close attention to the results from the Bank's efforts to improve business performance and cost control. The committee heard the report on audit digital capability enhancement and the report on asset quality, among others, thus assisting the Board of Directors in performing its responsibilities and duties. It also put forward many important opinions and suggestions regarding the improvement of the corporate governance mechanism, the enhancement of internal audit independence, the improvement of credit asset quality and the improvement of internal control measures.

According to the *Procedure Rules on the Preparation of the Annual Report of the Board Audit Committee of Bank of China Limited*, the Audit Committee understood from the external auditors the details of the 2024 audit plan, including key risk areas for the 2024 annual report audit, internal control and compliance priorities, information security management, team involvement, communication and collaboration with the participating audit firms. In particular, the committee reminded the external auditors to report any difference of judgement between the external auditors and the Senior Management during the audit, as well as the process of resolving such differences, if any.

The Audit Committee heard and reviewed reports from the Senior Management concerning the Bank's business performance and primary financial data. It also requested that the Senior Management submit the financial statements to the external auditors in a timely manner, so as to ensure sufficient time for the annual audit. During the audit, the committee maintained sufficient communications with the external auditors and arranged independent communications between the external auditors and the independent directors. The Audit Committee reviewed the Bank's 2024 financial statements and submitted them to the Board of Directors for approval.

In accordance with the *Policies of Selection, Rotation and Dismissal for External Auditors of Bank of China Limited*, the external auditors for 2024 made a summary report and submitted a report on their compliance with the principle of independence to the committee.

**Risk Policy Committee**

The Risk Policy Committee of the Bank comprises six members, including Non-executive Directors Mr. ZHANG Yong, Mr. HUANG Binghua and Mr. LIU Hui, and Independent Directors Mr. CHUI Sai Peng Jose, Mr. Jean-Louis EKRA and Ms. LIU Xiaolei. Non-executive Director Mr. ZHANG Yong serves as Chair of the committee, and Independent Director Mr. Jean-Louis EKRA serves as Vice Chair of the committee.

The main duties of the Risk Policy Committee are: to review and examine the risk culture and the Bank's risk management status, formulate risk management strategies, review and re-examine major risk management policies and procedures, and review and examine risk preference, to review and examine the comprehensive risk management report, supervise the Senior Management carrying out comprehensive risk management, and ensure the establishment of risk limits, to review and examine matters related to the performance appraisal of the chief risk officer, to urge the implementation of the Bank's risk management strategy, policy and procedure, to supervise the status of the Bank's compliance with regulations, review and examine compliance policy of the Bank, and hear and examine the report of implementation status of the compliance policy of the Bank, to organize and guide the case prevention work in accordance with regulatory requirements, and to raise advice and suggestions on the above matters to the Board of Directors.

In 2024, the Risk Policy Committee held seven on-site meetings on 24 January, 26 March, 23 April, 21 June, 28 August, 25 October, and 19 December, respectively. The committee mainly reviewed the Group's risk appetite statement, market risk management policy, liquidity risk management policy, liquidity risk contingency plan, trading book market risk limits, and capital adequacy ratio report. The committee also regularly reviewed the Group's enterprise risk reports, among others.

In addition, the Risk Policy Committee paid close attention to global macroeconomic and financial changes, important risk events and the overseas and domestic regulatory environment. It also expressed important and constructive opinions and recommendations regarding refinement of the Bank's comprehensive risk management system, improvement of the Bank's risk governance system and mechanism and the enhancement of capabilities in risk events and emergency response.

The US Risk and Management Committee is established under the Risk Policy Committee. It oversees and manages all risks in the Bank's institutions in the US, and performs the duties of the Board of Directors of the Bank's New York Branch and its subordinate committees.

The US Risk and Management Committee currently comprises four members, all of whom are members of the Risk Policy Committee, including Non-executive Directors Mr. ZHANG Yong and Mr. HUANG Binghua, and Independent Directors Mr. CHUI Sai Peng Jose and Mr. Jean-Louis EKRA. Independent Director Mr. Jean-Louis EKRA serves as Chair of the US Risk and Management Committee.

In 2024, the US Risk and Management Committee held four on-site meetings on 28 March, 18 June, 13 September, and 17 December, respectively, and two meetings via written resolutions. It regularly reviewed reports regarding the risk management and operations of all of the Bank's institutions in the US, reviewed and approved important policies, and heard the latest US regulatory trends and dynamics, among others.

### Personnel and Remuneration Committee

The Personnel and Remuneration Committee comprises five members, including Non-executive Directors Mr. HUANG Binghua and Mr. SHI Yongyan, and Independent Directors Mr. Martin Cheung Kong LIAO, Mr. CHUI Sai Peng Jose, and Ms. LIU Xiaolei. Independent Director Mr. CHUI Sai Peng Jose serves as Chair of the committee.

The main duties of the Personnel and Remuneration Committee are: to review and examine the Bank's human resources and remuneration strategies, urge the implementation of relevant strategies, to re-examine the structure, size and composition of the Board of Directors on a regular basis, and make suggestions regarding the scale and composition of the Board of Directors in accordance with the Bank's strategic plan, operation situation, size of assets and shareholding structure, to re-examine the selection standards, nomination and recruitment process of directors, members in each special committee and senior management personnel on a regular basis, to identify individuals suitably qualified to become directors, to perform preliminary review of the qualification and conditions of candidates for directors, perform preliminary review of the candidates for President of the Bank, Secretary to the Board of Directors and Chair of the special committees nominated by the Chairman of the Board in accordance with the selection standards and nomination process, perform preliminary review of the candidates for Executive Vice President, Executive Assistant President, Chief Financial Officer, Chief Risk Officer and other senior management personnel of the Bank nominated by the President, and perform preliminary review of the candidate for Chief Audit Officer nominated by the Audit Committee, to select and nominate the candidates for members of the special committees, to review and examine, and urge and supervise implementation of the remuneration and incentive policies of the Bank, to review and examine the remuneration distribution plan and incentive plan of directors and senior management personnel, to review and examine the evaluation standards for senior management personnel, to appraise the directors for fulfilling their duties, and to raise advice and suggestions on the above matters to the Board of Directors.

In 2024, the Personnel and Remuneration Committee held ten on-site meetings on 24 January, 25 January, 26 February, 27 March, 25 April, 29 August, 12 September, 28 October, 2 December and 18 December, respectively, and one meeting via written resolution. The committee mainly reviewed proposals on Chairman GE Haijiao's performing the duties of the President temporarily, the nomination of Mr. ZHANG Hui and Mr. ZHANG Yi as candidates for Executive Directors of the Bank, reviewing the appointment of Mr. ZHANG Hui as Vice Chairman of the Board of Directors and member of the Strategic Development Committee of the Bank, the nomination of Ms. LOU Xiaohui as candidate for Non-executive Director of the Bank, the nomination of Mr. HUANG Binghua to be re-appointed as Non-executive Director of the Bank, Ms. LOU Xiaohui joining special committees of the Board of Directors, deliberating China CITIC Financial AMC's proposed nomination of Mr. LI Zimin as Non-executive Director of the Bank, the nomination of Ms. LIU Xiaolei and Ms. ZHANG Ran as candidates for Independent Non-executive Directors of the Bank, the nomination of Mr. Jean-Louis EKRA to be re-appointed as Independent Non-executive Director of the Bank, adjustments to Chairman and members of the special committees of the Board of Directors, the appointment of Mr. ZHANG Hui as President of the Bank, the appointment of Mr. LIU Jin as Executive Vice President of the Bank, the appointment of Mr. ZHUO Chengwen as Secretary to the Board of Directors and Company Secretary of the Bank, the appointment of Ms. ZHAO Rong as Chief Risk Officer of the Bank, the appointment of Ms. JIANG Zhuo as Securities Affairs Representative of the Bank, change of the agent to accept service of process and notices on the Bank's behalf in Hong Kong under the Hong Kong Listing Rules, the performance evaluation results and remuneration distribution plan for the Chairman of the Board of Directors, the President and other senior management members for 2023, the 2024 implementation plan for performance evaluation of the Chairman of the Board of Directors, the President and other senior management members, renewal of liability insurance of directors, supervisors and senior management members for 2024-2025, among others.

According to the Articles of Association, any shareholder eligible to propose resolutions may, by submitting a written proposal to the Shareholders' Meeting, recommend candidates for directorships, provided the number of candidates nominated shall be in accordance with the provisions of the Articles of Association (between 12 and 17) and not exceed the number to be elected. List of candidates for directors may be recommended by the Board of Directors within the number of candidates stipulated in the Articles of Association, with reference to the diversity policy of the Bank and according to the number to be elected. The Personnel and Remuneration Committee shall undertake a preliminary review of the qualifications and experience of candidates for directorships, and refer those qualified candidates to the Board of Directors for further examination. After the Board of Directors' approval via resolution, the candidates shall be referred to the Shareholders' Meeting through written proposals. When directorships need to be added or filled temporarily, the Board of Directors shall raise a proposal and make a recommendation to the Shareholders' Meeting to elect or replace. During the reporting period, the Bank appointed directors in strict compliance with the Articles of Association.

**Connected Transactions Control Committee**

The Connected Transactions Control Committee comprises six members, including Non-executive Directors Mr. LIU Hui, Ms. LOU Xiaohui, Independent Directors Mr. Martin Cheung Kong LIAO, Mr. CHUI Sai Peng Jose, Mr. Giovanni TRIA and Ms. LIU Xiaolei. Independent Director Mr. Martin Cheung Kong LIAO serves as Chair of the committee.

The main duties of the Connected Transactions Control Committee of the Board of Directors are as follows: to manage the connected transactions of the Bank in accordance with the provisions of laws and regulations, and review and examine the corresponding management system for connected transactions, to define the connected transactions of the Bank in accordance with the provisions of the laws, regulations and the Articles of Association, to examine the connected transactions pursuant to the provisions of the laws and regulations and based on the business principles of justice and fairness, to issue, by the member who is an independent director, a written report on the fairness and compliance of significant connected transactions and the performance of the internal approval procedure, to review and examine the significant connected transactions and upon acceptance by the independent director, submit them for approval based on the transaction amount, to review and examine the matters of information disclosure of the significant connected transactions of the Bank, and to raise advice and suggestions on the above matters to the Board of Directors.

In 2024, the Connected Transactions Control Committee held four on-site meetings on 25 January, 27 March, 28 August, and 25 October, respectively. It mainly reviewed the report on connected transactions in 2023 and the proposal on signing unified transaction agreements with Bank of China (Hong Kong) Limited et al as connected parties, among others. During the reporting period, the Connected Transactions Control Committee paid constant attention to the interpretation and implementation of new regulatory rules, IT system development and connected transactions data management. The members of the committee put forward constructive suggestions on the management of connected parties and the monitoring of connected transactions.

## Board of Supervisors

### Functions and Powers of the Board of Supervisors

The Board of Supervisors is the Bank's supervisory organ and is responsible to the shareholders' meeting. As stipulated in the Company Law and the Articles of Association, the Board of Supervisors is responsible for overseeing the work of the Board of Directors so as to ensure the establishment of a prudent operational principle, value criterion and an appropriate development strategy. It supervises the duty performance and due diligence of the Board of Directors, the Senior Management and its members as well as the Bank's financial activities, risk management and internal control.

### Composition of the Board of Supervisors

The Board of Supervisors currently comprises four members. There are one employee supervisor and three external supervisors. According to the Articles of Association, a supervisor has a term of office of three years and may serve consecutive terms by re-election and re-appointment unless otherwise specified by laws, regulations, supervisory requirements and the Articles of Association. External supervisors are elected or replaced by the shareholders' meeting, while the employee supervisor is elected or replaced by the Employee Delegates' Meeting.

The Board of Supervisors has set up the Duty Performance and Due Diligence Supervision Committee and the Finance and Internal Control Supervision Committee to assist it in performing duties under its authorisation.

### Duty Performance of the Board of Supervisors

In 2024, the Board of Supervisors and its special committees earnestly performed their supervisory responsibilities and diligently reviewed relevant proposals. The Board of Supervisors held four on-site meetings and two meetings via written resolutions. The Duty Performance and Due Diligence Supervision Committee held three on-site meetings and three meetings via written resolutions, while the Finance and Internal Control Supervision Committee held four on-site meetings. For details of the performance of and supervisory opinions from the Board of Supervisors during the reporting period, please refer to the section "Report of the Board of Supervisors".

## Senior Management

### Functions and Powers of the Senior Management

The Senior Management is the executive organ of the Bank. It is headed by the President, with executive vice presidents and other senior management members assisting the President's work. The main functions and powers of the President include presiding over the Bank's daily administrative, business and financial management, organising the implementation of the business plan and investment schemes, drafting basic management regulations and specific rules, nominating candidates for other senior management positions, and reviewing employees' remuneration, benefit, reward and punishment measures.

### Duty Performance of the Senior Management

During the reporting period, the Senior Management of the Bank managed the Bank's operations in accordance with the powers bestowed upon it by the Articles of Association and the authorisations of the Board of Directors. In accordance with the operation and management objectives approved by the Board of Directors, the Senior Management formulated business plan, operation strategy and management measures and made timely adjustments according to market changes. It invited directors and supervisors to attend important meetings and major activities, listened to their opinions and suggestions, and kept close communication with the Board of Directors and the Board of Supervisors, continuously improving the quality and efficiency of operation and management. In 2024, the Group's operating results achieved steady progress.

During the reporting period, the Senior Management of the Bank held 30 regular meetings of Executive Committee, at which it focused on key operational areas and discussed and decided upon a series of significant matters, including the Group's business development, globalised development, integrated operation, consumer protection, technology finance, green finance, inclusive finance, pension finance, digital finance and comprehensive risk management. It also held special meetings to study and make plans for the Group's corporate banking, personal banking, financial markets, channel operation, IT and risk internal control.

During the reporting period, there was no change in the committees under the Senior Management (Executive Committee). Currently, the Senior Management presided over the Asset and Liability Management Committee, Risk Management and Internal Control Committee (which governs the Anti-money Laundering Committee, Asset Disposal Committee, Credit Risk Management and Decision-making Committee and Related Party Transactions Management Office), Centralised Procurement Management Committee, Securities Investment and Management Committee, Asset Management Business Committee, Consumer Protection Committee, Technology Finance Committee, Green Finance Committee, Inclusive Finance Committee, Pension Finance Committee, Digital Finance Committee and Cross-border Finance Committee. During the reporting period, all of the committees diligently fulfilled their duties and responsibilities as per the powers specified in their committee charters and the rights delegated by the Executive Committee, and pushed forward the sound development of the Bank's various operations.

## Securities Transactions by Directors and Supervisors

Pursuant to domestic and overseas securities regulatory requirements, the Bank formulated and implemented the *Management Measures on Securities Transactions by Directors, Supervisors and Senior Management Personnel of Bank of China Limited* (the "*Management Rules*") to govern securities transactions by directors, supervisors and senior management members of the Bank. The terms of the *Management Rules* are more stringent than the mandatory standards set out in the *Model Code for Securities Transactions by Directors of Listed Issuers* contained in Appendix C3 to the Hong Kong Listing Rules (the "*Model Code*"). All directors and supervisors confirmed that they had complied with the standards set out in both the *Management Rules* and the *Model Code* throughout the reporting period.

## Appointment of External Auditors

In accordance with the relevant regulations on the selection and engagement of accounting firms, taking into account market conditions and the Bank's business development needs, and based on the principle of prudence, the Bank has decided to engage Ernst & Young Hua Ming LLP as domestic auditor and external auditor for internal control audit for 2024, and to engage Ernst & Young as its international auditor for 2024, as deliberated and approved at the 2024 Second Extraordinary General Meeting of the Bank. For details, please refer to the announcement on change of external auditors (published in Chinese version) and the announcement on the resolutions of the 2024 Second Extraordinary General Meeting, which were issued by the Bank on the website of the SSE, the website of the HKEX, and the website of the Bank on 19 August 2024 and 24 September 2024, respectively.

Fees paid to external auditors for auditing the financial statements of the Group, including those of the Bank's overseas subsidiaries and branches, were RMB189 million for the year ended 31 December 2024, of which the fees for internal control audit paid to Ernst & Young Hua Ming LLP totalled RMB11.0008 million. The Bank paid RMB12.3611 million for non-auditing services to external auditors during the year.

Ernst & Young Hua Ming LLP and Ernst & Young have provided auditing services to the Bank for a continuous period of one year. As the audit engagement partners and the certified public accountants who signed the Bank's A-share auditor's report, Mr. XU Xuming and Ms. ZHANG Fan have both provided auditing services to the Bank for a continuous period of one year. As the audit engagement partner and the certified public accountant who signed the Bank's H-share auditor's report, Ms. TSO Pui Sze has provided auditing services to the Bank for a continuous period of one year.

## Investor Relations and Information Disclosure

In 2024, the Bank closely monitored market trends and dynamics, continuously improved the effectiveness of its market communication, and continued to build a professional and efficient investor relations management practice to improve the quality of services provided to capital market investors. The Bank organised annual, interim and quarterly results release briefings, with active participation from the Chairman and the Senior Management. The Bank also engaged in in-depth exchanges with institutional investors through a variety of activities, including attending

Investing in China: A New Perspective New Horizons – A Share Listed Company Promotion held in Singapore jointly organised by the SSE and SZSE, participating in multiple seminars held by investment banking institutions, holding non-deal roadshows and themed meetings, and facilitating routine communications, etc. The Bank timely recorded and registered relevant information, and effectively conveyed its investment value to capital markets. The Bank placed great emphasis on providing investor services for minority investors. It professionally answered investor hotline and email inquiries, promptly responded to questions from the "e-interaction online platform" operated by the SSE, optimised the information shared in the investor relations section of the official website of the Bank, actively participated in the "Value and Investment" – themed activities launched by the SSE, hosted online results briefings for minority investors through the SSE Roadshow Centre. It proactively gathered market feedback regarding the Bank's operations and development and relayed such information internally in a timely manner, thus driving the continuous improvement of its corporate governance and ensuring the Bank's investment value properly reflects its quality. The Bank diligently carried out shareholder services and equity management work according to regulatory requirements and management needs.

The Bank focused on the needs of investors and took steps to continuously increase the pertinence and effectiveness of its information disclosure, so as to enhance information transparency. The Bank has established a comprehensive and well-structured information disclosure policy system, putting in place clear specifications regarding information disclosure scope, the responsibilities of all parties concerned, information disclosure procedures, and internal monitoring and punitive measures, among others, to ensure that information disclosure is true, accurate, complete, timely and fair. In 2024, the Bank conducted timely re-examination of various types of policy documents in accordance with regulatory rules and revised and published management measures for insiders. Moreover, the Bank actively conducted voluntary information disclosure, to show the market that it served the real economy, supported high-standard opening up, promoted RMB internationalization, advanced ESG development and positively responded to other market concerns. The Bank has improved the information transparency and promoting efficient interactions with capital markets. In 2024, it published over 400 documents via the SSE and the HKEX. The Bank continued to optimise its information disclosure responsibility mechanism and information correspondent mechanism, and promoted the building of a professional team and a strong compliance culture with regard to information disclosure. It strengthened the management of inside information, ensuring registration and submission to regulatory departments of insiders. The Bank advanced the digital transformation of information disclosure in all aspects, boosted the quality and efficiency of information disclosure, and worked consistently to provide investors with more adequate and transparent information.

In 2024, the Bank further strengthened investor relations and information disclosure management, and continued to receive widespread market recognition. It was awarded the "Tianma Award for Investor Relations Management of Chinese Listed Companies (Shareholder Returns)" by *Securities Times*, while its annual report received an "Annual Report Platinum Award for Comprehensive Comparison" from the League of American Communications Professionals (LACP).

# Report of the Board of Directors

The Board of Directors is pleased to present its report together with the audited Consolidated Financial Statements of the Bank and its subsidiaries (the "Group") for the year ended 31 December 2024.

## Principal Activities

The Bank provides a range of banking and related financial services, including commercial banking, investment banking, direct investment, securities, insurance, fund management, aircraft leasing, asset management, financial technology business and financial leasing.

## Major Customers

During the year, the five largest customers of the Group accounted for less than 30% of the interest income and other operating income of the Group.

## Results and Profit Distribution

### Ordinary Shares

The Bank's annual results for 2024 are set out in the Consolidated Financial Statements. The Board of Directors has recommended a final dividend on ordinary shares for 2024 of RMB1.216 per 10 shares (before tax), subject to the approval of the Shareholders' Meeting. If approved, the 2024 final dividend on the Bank's ordinary shares will be denominated and declared in RMB and paid in RMB or equivalent HKD. The actual amount distributed in HKD will be calculated according to the average of the exchange rates of HKD to RMB announced by the PBOC during the week before the date (inclusive) of the Bank's Shareholders' Meeting. No capitalisation of the capital reserve to share capital is proposed for this profit distribution.

At the Bank's 2024 Third Extraordinary General Meeting held on 20 December 2024, an interim dividend on ordinary shares for 2024 of RMB1.208 per 10 shares (before tax) was approved. The A-Share and H-Share dividends were distributed to the shareholders in January and February of 2025 in accordance with relevant regulations. The distribution plan has been accomplished, with the actual dividend amount distributed for ordinary shares amounting to approximately RMB35.562 billion (before tax).

At the Bank's 2023 Annual General Meeting held on 28 June 2024, a final dividend on ordinary shares for 2023 of RMB2.364 per 10 shares (before tax) was approved. The A-Share and H-Share dividends were distributed to the shareholders in July and August of 2024 in accordance with relevant regulations. The distribution plan has been accomplished, with the actual dividend amount distributed for ordinary shares amounting to approximately RMB69.593 billion (before tax). No capitalisation of the capital reserve to share capital was proposed for this profit distribution.

## Preference Shares

At the fifth meeting of the Board of Directors of 2023, the dividend distribution plan for the Bank's Offshore Preference Shares (Second Tranche) was approved. The Bank distributed dividends on the Offshore Preference Shares (Second Tranche) on 4 March 2024. According to the Bank's issuance terms of the Offshore Preference Shares (Second Tranche), dividends on Offshore Preference Shares (Second Tranche) were paid in US dollars, with a total of approximately USD101.5 million (after tax) at an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

At the fourth meeting of the Board of Directors of 2024, the dividend distribution plans for the Bank's Domestic Preference Shares (Third Tranche and Fourth Tranche) and the Offshore Preference Shares (Second Tranche) were approved. The Bank distributed a total of RMB3.285 billion (before tax) of dividends on the Domestic Preference Shares (Third Tranche) on 27 June 2024, with an annual dividend rate of 4.50% (before tax). The Bank distributed a total of RMB1.1745 billion (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 29 August 2024, with an annual dividend rate of 4.35% (before tax). The Bank distributed dividends on the Offshore Preference Shares (Second Tranche) on 4 March 2025. According to the Bank's issuance terms of the Offshore Preference Shares (Second Tranche), dividends on Offshore Preference Shares (Second Tranche) were paid in US dollars, with a total of approximately USD101.5 million (after tax) at an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

## Cash Dividend Payout for Ordinary Shares and Capitalisation of the Capital Reserve to Share Capital for the Past Three Years

| Year of dividend distribution | Dividend per share (before tax) (Unit: RMB) | Total dividend (before tax) (Unit: RMB million) | Profit attributable to equity holders of the Bank (Unit: RMB million) | Payout ratio | Capitalisation of the capital reserve to share capital |
|---|---|---|---|---|---|
| 2024 | 0.2424 | 71,360 | 237,841 | 30% | Nil |
| 2023 | 0.2364 | 69,593 | 231,904 | 30% | Nil |
| 2022 | 0.232 | 68,298 | 227,439 | 30% | Nil |

## Formulation and Implementation of Cash Dividend Policy

### Ordinary Shares

The Bank takes full account of shareholder return while also taking into account the long-term interests of the Bank, the overall interests of all its shareholders and the sustainable development of the Bank.

The Articles of Association states that the Bank should maintain the continuity and stability of its profit distribution policy. It also clarifies the Bank's profit distribution principles, policy and adjustment procedures, the consideration process of the profit distribution plan and other matters. The Bank shall adopt cash dividend as the priority form of profit distribution. Except under special circumstances, the Bank shall adopt cash as the form of dividend distribution where there is profit in that year and the accumulated undistributed profit is positive, and the cash distribution of the dividend shall not be less than 10% of the profit after tax attributable to the ordinary shareholders of the Bank. The Bank shall offer online voting to shareholders when considering amendments to the profit distribution policy and profit distribution plan.

The formulation and implementation of the aforementioned dividend policy was in line with the provisions of the Articles of Association and resolutions of the Shareholders' Meeting. The criterion and ratio of the dividend are explicit and clear. The procedure and mechanism was complete. The independent directors fully expressed their opinions and the legitimate rights and interests of minority shareholders were fully respected and protected.

The dividend distribution plan for ordinary shares of the Bank has been approved by the shareholders' meeting. The Bank distributed dividends on ordinary shares in strict compliance with the Articles of Association, its dividend distribution policy and the shareholders' meeting resolution on profit distribution.

### Preference Shares

The preference shareholders of the Bank receive dividend at the specified dividend rate prior to the ordinary shareholders. The Bank shall pay the dividend to the preference shareholders in cash. The Bank shall not distribute dividends on ordinary shares before all the dividends on preference shares have been paid.

Dividends on the Bank's preference shares will be distributed on an annual basis. Once the preference shareholders have received dividends at the specified dividend rate, they shall not be entitled to participate in the distribution of the remaining profits of the Bank together with the ordinary shareholders.

The preference share dividend is non-cumulative. If any preference share dividend for any dividend period is not paid in full, such remaining amount of dividend shall not be carried forward to the following dividend year. The Bank shall be entitled to cancel the payment of any dividend of the preference shares, and such cancellation shall not constitute a default. The Bank may at its discretion use the funds arising from the cancellation of such dividend payment to repay other indebtedness due and payable.

Dividend payments are independent of the Bank's credit rating, nor do they vary with the credit rating.

The Bank distributed dividends on preference shares in strict compliance with the Articles of Association, the terms of issuance of preference shares and the Board of Directors' resolutions on dividend distribution.

## Donations

Charitable donations made by the Group during the reporting period amounted to approximately RMB144.00 million.

## Share Capital

As at the latest practicable date prior to the publication of this annual report, the Bank had sufficient public float based on publicly available information, in compliance with the minimum requirement of the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange at the time of the Bank's listing.

## Distributable Reserves

Please refer to Note V.39 to the Consolidated Financial Statements for details of distributable reserves of the Bank.

## Fixed Assets

Please refer to Note V.20 to the Consolidated Financial Statements for details of the fixed assets of the Bank.

## Financial Summary

Please refer to the section "Financial Highlights" for the summary of the annual results, assets and liabilities of the Bank for the last five years.

## Connected Transactions

In 2024, the Bank strictly complied with laws and regulations, regulatory requirements regarding connected transactions, the listing rules of the SSE and the Hong Kong Stock Exchange, and carried out connected transactions in compliance with business principles. All management mechanisms for connected transactions ran smoothly, reasonably safeguarding the interests of all shareholders and the Bank as a whole.

According to the *Administrative Measures for Connected Transactions of Banking and Insurance Institutions* issued by the NFRA, the Bank cumulatively incurred connected transactions of RMB9.20 trillion with connected parties in 2024, including credit-type connected transactions of RMB553.792 billion, asset transfer connected transactions of RMB18.903 billion, service connected transactions of RMB10.260 billion, deposit and other connected transactions of RMB315.052 billion, and the interbank business with connected party banks of RMB8.31 trillion. At the end of 2024, the Bank's balance of credit facilities granted to single connected parties (excluding margin deposits, pledged CDs and central government bonds, the same below) accounted for up to 1.64% of the Bank's net capital (legal entity reporting standards), the total balance of credit facilities granted to group customers which single connected legal-person or non-legal-person organizations belong to accounted for up to 1.64% of the Bank's net capital, and the balance of credit facilities granted to all connected parties accounted for 4.75% of the Bank's net capital, meeting the regulatory requirements.

At the Eighth Meeting of the Board of Directors of the Bank in 2024, the *Proposal on Signing the Unified Transaction Agreements on Connected Transactions with BOCHK and other Connected Parties* was deliberated and approved. It was agreed that the Bank shall sign a unified transaction agreement with five connected parties, including Bank of China (Hong Kong) Limited. The Bank concluded the agreements on 29 September 2024.

Under the Hong Kong Listing Rules, transactions between the Bank and its connected persons (as defined under the Hong Kong Listing Rules) constitute connected transactions to the Bank. Such transactions are monitored and administered by the Bank in accordance with the Hong Kong Listing Rules. In 2024, the Bank has engaged in a number of connected transactions with its connected persons in the ordinary and usual course of its business. Such transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements according to the Hong Kong Listing Rules.

## Directors' Interests in Competing Businesses of the Bank

None of the directors has interests in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group.

## Remuneration Policy of Directors, Supervisors and Senior Management Members

The Bank has formulated clear regulations on the remuneration of directors, supervisors and senior management members. The remuneration for Chairman of the Board of Directors, President, Chairperson of the Board of Supervisors and executive vice presidents shall be paid in accordance with the rules on remuneration reform for central enterprises, which consists of basic annual remuneration, performance-based annual remuneration and incentive income linked to term appraisal. The remuneration for other senior management members and shareholder supervisors consists of basic annual remuneration and performance-based remuneration, with part of the performance-based remuneration paid in a deferred manner. According to the recourse and recovery mechanism for performance-based remuneration of the Bank, if risk losses falling within the employees' remit and responsibility are exposed in excess during the term of service, the Bank may recover part or all of the performance-based remuneration paid within the corresponding period, and stop the payment of the part that has not been paid. Independent directors as well as external supervisors and employee supervisors are remunerated by the Bank while non-executive directors are not remunerated by the Bank. The Bank remunerates directors, supervisors and senior management members who are employed by the Bank with salaries, bonuses, employer contributions to social insurance, enterprise annuity, supplementary medical insurance and housing provident fund, as well as other monetary income.

Please refer to the section "Directors, Supervisors and Senior Management Members" for details of the remuneration of directors, supervisors and senior management members.

## Directors' and Supervisors' Service Contracts

None of the directors or supervisors of the Bank has a service contract with the Bank or its subsidiaries that is not determinable within one year or is not determinable without payment of compensation other than normal statutory compensation.

## Directors' and Supervisors' Interests in Transactions, Arrangements and Contracts of Significance

No transaction, arrangement or contract of significance, in relation to the Bank's business to which the Bank, its holding companies, or its subsidiaries or fellow subsidiaries was a party and in which a director or a supervisor or any entity connected with them was materially interested, directly or indirectly, subsisted during the reporting period.

## Directors' and Supervisors' Rights to Acquire Shares

During the reporting period, none of the Bank, its holding company, or any of its subsidiaries or fellow subsidiaries was a party to any arrangement that would enable the Bank's directors, supervisors, or their respective spouses or children below the age of 18, to benefit by acquiring shares in, or debentures of, the Bank or any other body corporate.

## Directors' and Supervisors' Interests in Shares, Underlying Shares and Debentures

To the best knowledge of the Bank, as at 31 December 2024, none of the directors or supervisors of the Bank or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Bank pursuant to Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the *Model Code* as set out in Appendix C3 of the Hong Kong Listing Rules.

## Financial, Business and Family Relations among Directors, Supervisors and Senior Management Members

Directors, Supervisors and senior management members of the Bank are not related to one another with respect to finance, business and family, or other material relations.

## Substantial Shareholder Interests

Please refer to the section "Changes in Shares and Shareholdings of Shareholders" for the details of the Bank's substantial shareholder interests.

## Management Contracts

No contract concerning the management or administration of the whole or any substantial part of the business of the Bank was entered into or existed during the reporting period.

## Share Appreciation Rights Plan and Share Option Scheme

Please refer to Note V.35 to the Consolidated Financial Statements for details of the share appreciation rights plan and share option scheme of the Group.

## Purchase, Sale or Redemption of the Bank's Shares

During the reporting period, neither the Bank nor its subsidiaries purchased or sold any of the Bank's shares. Please refer to the section "Changes in Shares and Shareholdings of Shareholders" for details of the redemption of the Offshore Preference Shares (Second Tranche) of the Bank.

## Pre-emptive Rights

There are no compulsory provisions for pre-emptive rights requiring the Bank to offer new shares to existing shareholders in proportion to their existing shareholdings under the Articles of Association. The Articles of Association provide that the Bank may increase its capital by public offering, private placement, issuing rights of new shares to existing shareholders or allotting new shares to existing shareholders, transferring its capital reserve, issuing convertible bonds, or through other means as permitted by laws, administrative regulations and relevant regulatory authorities.

## Permitted Indemnity Provision

As stipulated in the Articles of Association, within the scope permitted under applicable laws, administrative regulations and the Articles of Association, the Bank may purchase and maintain any liabilities insurance for the Bank's former and incumbent directors. The Bank will indemnify every former and incumbent director out of its own assets against any liability incurred when he/she served as director of the Bank to the maximum extent permitted by law and administrative regulations or alternatively to the extent that it is not prohibited by law and administrative regulations unless it is established that the director has not acted honestly or in good faith in performing his/her duties.

During the reporting period, the Bank renewed its directors' liability insurance to provide protection against claims arising from the lawful discharge of duties by directors, thus encouraging directors to fully perform their duties.

## Equity-linked Agreement

The Bank has not been engaged in any equity-linked agreement during the reporting period.

## Business Review

For disclosures of the Bank in respect of business review under Appendix D2 to the Hong Kong Listing Rules, please refer to sections "Management Discussion and Analysis" and "Environment, Society and Governance" and the "Consolidated Financial Statements". The relevant disclosure constitutes part of the Report of the Board of Directors.

## Use of Raised Funds

All proceeds raised from initial public offerings, the rights issue, issuances of tier 2 capital bonds, preference shares and undated capital bonds have been used to replenish the Bank's capital and increase its level of capital adequacy.

For details, please refer to the related announcements on the websites of the SSE, HKEX and the Bank and the Notes to the Consolidated Financial Statements.

## Tax and Tax Relief

For details regarding dividend-related taxes and tax exemptions, please refer to the relevant announcements issued by the Bank, including those related to dividend distribution. Shareholders of the Bank are taxed in accordance with the applicable tax regulations and the amendments thereof from time to time, and may be eligible for possible tax relief based on their specific circumstances. Shareholders should seek professional advice from their tax and legal advisors regarding specific tax matters.

## Auditors

Please refer to the section "Corporate Governance – Appointment of External Auditors" for details of the Bank's external auditors.

## Consumer Protection

In 2024, the Bank thoroughly implemented the *Regulations for the Implementation of the Consumer Protection Law of the People's Republic of China*, the *Measures for Administration of the Protection of Consumer Rights and Interests by Banking and Insurance Institutions*, and other relevant laws and regulations. It consistently strengthened whole-process consumer protection controls, made significant progress in foundational initiatives, and thus safeguarded consumers' legitimate rights and interests, and enhanced service standards.

### Improving mechanisms to provide necessary resources

The Bank has integrated consumer protection into its corporate governance, cultural development and business strategies. At the planning level, the Board of Directors and its Corporate Culture and Consumer Protection Committee have consistently enhanced overall planning and provided comprehensive guidance for consumer protection initiatives. In 2024, the Bank held eight consumer protection meetings, where directors offered guidance and constructive advice on the topic. At the operations level, the Executive Committee and its Consumer Protection Committee effectively implemented internal decisions while coordinating efforts to advance consumer protection work. In addition, directors and senior management members participated in numerous educational and promotional activities, conducted research, and provided guidance on addressing key challenges in consumer protection at primary-level outlets, such as account management and complaint escalation. These efforts informed a series of research reports which offered guidance for consumer protection work.

The Bank disseminated the latest national laws, regulations, rules and standards in a timely manner. It has established a consumer protection framework, encompassing policies, management measures, specialised guidelines, and dedicated consumer protection provisions and clauses within its business policies. These documents cover various categories, including assessment and evaluation, consumer protection review, marketing and promotional management, information disclosure, personal customer information protection, complaint management, education and publicity, and emergency response, thus enabling the Bank to consistently promote the implementation of regulatory requirements by institutions at all levels. In 2024, the Bank issued several key guidelines to steadily bolster its requirements for financial marketing, publicity and dispute resolution, including the *Guidelines of Bank of China Limited for Managing Marketing and Publicity Behaviour for Financial Consumers (Revised in 2024)*, the *Customer Complaints Management Measures of Bank of China Limited (Revised in 2024)*, and the *Guidelines of Bank of China Limited for Resolving Personal Customer Disputes (Revised in 2024)*. The Bank increased its investment in consumer protection by more than 50% year-on-year, directing resources toward education and publicity, efficient complaint resolution and the digital development of consumer protection systems across the Bank.

### Strengthening preventive protection to foster unity across the Group

The Bank strengthened preventive consumer protection, including enhancing its consumer protection review mechanism and its risk identification and early warning systems. In 2024, it revised its product management policies and product measures, integrating its consumer protection review mechanism into all routine processes and procedures related to product and service management. Moreover, the Bank issued the *Circular on Strengthening the Mandatory and Authoritative Requirements Related to Consumer Protection Review* across the organisation, which further promoted the mechanism for adopting consumer protection review opinions, refined assessment requirements for consumer protection reviews, and reinforced the authority and binding force of such reviews. In addition, the Bank issued the *Guidelines of Bank of China Limited for Managing Marketing and Publicity Behaviour for Financial Consumers (Revised in 2024)* to improve the in-process monitoring mechanism for normal financial marketing and promotional activities.

Meanwhile, the Bank has actively implemented the Group's consumer protection management requirements and endeavoured to build a pattern of "Mega Consumer Protection" within its own system. It also established a consumer protection work system based on "Group coordination, primary responsibility of institutions at all levels, and cross-line and inter-departmental synergy", and enhanced the effectiveness and penetration of the Group's consumer protection management. Furthermore, it enhanced top-level design, leadership and guidance, information sharing, and communication and coordination, and strived to jointly address common challenges and make concerted efforts.

### Streamlining the complaint handling process to resolve disputes efficiently

The Bank streamlined its complaints acceptance and handling channels to facilitate customer communication. Information about consumer complaint channels, such as telephone numbers, mailing addresses, email addresses and websites, as well as the handling process for consumer complaints, has been published in prominent positions on the Bank's official website, business premises, mobile banking and WeChat banking, in order to facilitate communication with customers.

The Bank received 284 thousand complaints in 2024. In terms of business type, 49.2% of complaints were about debit cards, 23.4% about credit cards, and 11.2% about loans. These three categories accounted for 83.8% of total complaints. In terms of the reason for complaints, 82.4% were about policies and procedures, 4.8% about fee rates, and 4.4% about service facilities, equipment, and business systems. These three types of complaints accounted for 91.5% of the total. By geographical distribution, the top five regions in terms of number of complaints in 2024 were Guangdong (12.9%), Shenzhen (6.9%), Jiangsu (6.1%), Hebei (5.8%), and Henan (5.3%).

The Bank is committed to building a harmonious and healthy environment for financial consumption. It proactively and appropriately resolved various consumer concerns, constantly improved its complaint processing policies and procedures, and enhanced the quality and efficiency of complaint processing. Based on consumer protection data and information, such as "voice of customers" hotline, regulatory alerts and key complaints, the Bank has conducted comprehensive analysis to rectify root problems. It addressed prominent issues with a focus on key fields such as personal loan and credit card services, thus continually improving customer experience. It upheld and advocated the "Fengqiao Experience" in the new era, continuously deepened its diversified resolution mechanism, and resolved disputes in a legal, compliant and efficient manner.

**Enhancing innovation in education and publicity with a focus on key customer groups**

In 2024, under the theme "Financial Consumer Protection Around Us to Prevent Risks", the Bank further strengthened its "centralised + normalised" education and publicity mechanism. It held a total of more than 115,000 financial education and publicity activities during the year, attracting 1.48 billion participations. These initiatives significantly improved the public's financial literacy and ability to prevent risks, receiving wide recognition from all walks of life for their impact.

Focusing on key customer groups such as the elderly, teenagers, rural residents and cross-border customers, the Bank launched a series of special initiatives under the theme "BOC Consumer Protection By Your Side All the Time" to impart financial knowledge in a well-paced and targeted manner. Notable campaigns included "Caring for the Elderly", "Payment Facilitation: Beware of Risks", and "Financial Services for the People: Disseminating Knowledge in the Countryside", all of which contributed to the normalised and long-term development of financial education. The Bank also intensified its innovation efforts by tailoring content to regional characteristics and customer groups, and explored new content, forms and channels to engage consumers and expand the reach of financial knowledge. Online, the Bank produced themed short videos, microfilms, animations, games and other interactive new media content that combine learning and fun. Offline, financial knowledge was integrated into exhibitions, bazaars, operas, dramas and classroom lectures, reaching consumers in communities, villages, campuses, business districts and enterprises and offering them a brand-new and immersive learning experience. To further amplify the impact of these initiatives, the Bank strengthened its multi-party collaboration mechanism. Externally, it worked with regulatory authorities, public welfare organisations, and mainstream media outlets. Internally, the Bank improved horizontal communication and vertical information sharing by leveraging the Group's integrated operations, branches and comprehensive operation companies. Together, these entities implemented multidimensional and varied financial literacy programmes, reaching a diverse audience of financial consumers. Throughout the year, the Bank's original education and publicity content received more than 530 million clicks and attracted more than 8,900 external media exposures, including approximately 700 reports from mainstream media outlets such as Xinhua News Agency, China Daily, and people.com.cn. These efforts successfully expanded the reach and influence of the Bank's consumer protection brand, while also injecting positive energy into the financial sector.

**Strictly maintaining the risk management "bottom line" to effectively protect personal customer information**

Sensitive personal information is processed by the Bank in accordance with the principle of using the "minimum necessary" information to meet business requirements, after customer consent has been obtained on a fully informed basis. At the same time, the Bank has established personal customer information processing and approval procedures as well as tracing mechanisms, underpinned by a rigorous and hierarchical authorisation framework. To ensure information security and control, the Bank has introduced access control, encryption/de-identification and enhanced privacy protection. If the purpose of processing has been achieved or cannot be achieved, or if the Bank ceases to provide the relevant product or service, the Bank promises to delete personal customer information within a stipulated time. If the retention period required by laws and administrative regulations has not expired, or if it is technically difficult to delete personal customer information, the Bank will stop processing such information (except for storage or necessary security protection measures).

For more details regarding the Bank's consumer protection activities, please refer to the *Corporate Social Responsibility Report of Bank of China Limited for 2024 (Environmental, Social and Governance).*

## Members of the Board of Directors

Executive Directors: GE Haijiao, ZHANG Hui

Non-executive Directors: ZHANG Yong, ZHANG Jiangang, HUANG Binghua, LIU Hui, SHI Yongyan, LOU Xiaohui, LI Zimin

Independent Directors: Martin Cheung Kong LIAO, CHUI Sai Peng Jose, Jean-Louis EKRA, Giovanni TRIA, LIU Xiaolei

The Board of Directors
26 March 2025

# Report of the Board of Supervisors

## Meetings of the Board of Supervisors

In 2024, the Bank held four on-site meetings of the Board of Supervisors on 28 March, 28 April, 29 August and 28 October respectively, as well as two meetings via written resolutions. At these meetings, the Board of Supervisors reviewed 38 proposals, including proposals regarding the Bank's four regular reports, the 2023 profit distribution plan, the interim profit distribution plan for 2024, the 2023 corporate social responsibility report (environmental, social and governance), the 2023 internal control assessment report, the 2023 work report of the Board of Supervisors, the evaluation opinions of the Board of Supervisors on the duty performance and due diligence of the Board of Directors, the Senior Management, and their members for 2023, the performance evaluation results for the Chairwoman of the Board of Supervisors for 2023, the remuneration distribution plan for the Chairwoman of the Board of Supervisors in 2023, the performance evaluation results and remuneration distribution plan for external supervisors, the implementation plan for the performance evaluation for external supervisors in 2024, suggestion on appointing Supervisor JIA Xiangsen as a member of the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors, and the revision of the rules of procedure of the Board of Supervisors. In addition, the Board of Supervisors issued supervision and evaluation opinions regarding the Bank's performance in strategy implementation in 2023, as well as the Bank's reputational risk management, information disclosure management, capital management and management of advanced approaches for capital measurement, liquidity risk management, internal audit, consolidated management, stress test management, data governance, internal control, case risk prevention and control, compliance management, anti-money laundering (AML) management, expected credit loss (ECL) approach management, remuneration management, off-balance sheet business management, employee behaviour management, product management, customer protection, market risk management and comprehensive risk management.

The attendance of each supervisor at the meetings of the Board of Supervisors in 2024 is given below:

| Supervisors | Number of meetings attended in person/ Number of meetings convened during term of office |
|---|---|
| **Incumbent Supervisor** | |
| WEI Hanguang | 6/6 |
| JIA Xiangsen | 6/6 |
| HUI Ping | 6/6 |
| CHU Yiyun | 6/6 |
| **Former Supervisor** | |
| ZHANG Keqiu | 0/0 |
| ZHOU Hehua | 5/5 |

In 2024, the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors held three on-site meetings and three meetings via written resolutions, at which it previewed proposals regarding the evaluation opinions of the Board of Supervisors on the duty performance and due diligence of the Board of Directors, the Senior Management and their members for 2023, and the self-evaluation opinions of the Board of Supervisors, the performance evaluation results for the Chairwoman of the Board of Supervisors for 2023, the performance evaluation results and remuneration distribution plan for external supervisors, the implementation plan for performance evaluation of external supervisors in 2024, and the revision of the rules of procedure of the Board of Supervisors, among others.

In 2024, the Finance and Internal Control Supervision Committee of the Board of Supervisors held four on-site meetings, at which it previewed proposals regarding the Bank's four regular reports, the 2023 profit distribution plan, the interim profit distribution plan for 2024, the 2023 corporate social responsibility report (environmental, social and governance), the 2023 internal control assessment report, and the evaluation opinions of the Board of Supervisors on the Bank's performance in strategy implementation in 2023, among others.

## Performance of Supervision and Inspection by the Board of Supervisors

In 2024, in accordance with relevant laws and regulations, regulatory requirements and the Articles of Association, the Board of Supervisors earnestly performed its supervisory functions concerning strategy, duty performance, finance, risk and internal control supervision, and continuously improved the quality and efficiency of its supervision, thus contributing to Chinese modernisation by supporting the Bank's high-quality development.

**Focused its supervision efforts on the Bank's implementation of major national decisions and plans.** Keeping in mind "the country's most fundamental interests" and focusing on its five major supervision functions, the Board of Supervisors researched and formulated a list of responsibilities for serving "the country's most fundamental interests", put forward specific work measures, advanced the implementation of such measures on all fronts and continuously integrated them into daily supervision. The Board of Supervisors objectively evaluated the achievements and deficiencies of the Bank, prepared a special report and put forward suggestions and solutions in accordance with work arrangements for promoting the high-quality development of finance and accelerating the construction of a financial powerhouse. The Board of Supervisors paid special attention to the Bank's progress towards serving high-quality socioeconomic development, and especially its work progress in advancing the "five major tasks", cultivating new quality productive forces, fostering new development momentum and advantages, supporting the implementation of major national strategies, improving the quality and efficiency of financial services, serving the construction of a new dual circulation development pattern, and effectively preventing and controlling major financial risks in light of the new development philosophy. The Board of Supervisors placed emphasis on the Bank's progress towards deepening reform on all fronts, focused on resolutely eliminating deficiencies in systems and mechanisms that impede the Bank's high-quality development, and attached great importance to the Bank's proactive support of Chinese modernisation. It also tracked progress towards deepening supply-side structural reform in finance, improving the product and service system and enhancing the Group's governance effectiveness and market competitiveness. Based on the information obtained, the Board of Supervisors voiced supervisory opinions on various aspects of work carried out throughout the year.

**Carried out strategic supervision in line with contemporary demands.** The Board of Supervisors closely followed the implementation and review of the Group's development plan for the 14th Five-Year Plan period, received reports on the implementation of interim and annual plans, attended the Bank's work meetings and meetings of the Board of Directors and the Strategic Development Committee as non-voting attendees, and continuously monitored the implementation of the plan's quantitative indicators, key tasks and review process. It issued supervisory opinions, emphasising the need to implement major national decisions from a strategic perspective, focus on key challenges in strategic implementation to deepen reform on all fronts, review the consistency of various policies, enhance synergies in strategic implementation and strengthen strategic evaluation and oversight. The Board of Supervisors tracked the implementation of key strategic tasks, in particular the Bank's progress towards improving the indicator evaluation system for the "five major tasks", optimising products and services, strengthening management support, taking the initiative in serving national strategies and high-level opening up, enhancing its global layout capability and improving market benchmarking. It completed four quarterly supervision reports on strategy implementation, recommending reinforced development momentum regarding the "five major tasks", strengthening refined management, comprehensively improving the governance effectiveness of the Group's overseas institutions, further consolidating and expanding the Bank's global competitive advantages, and strengthening overall guidance on the transformation of outlets. The Board of Supervisors carried out special supervision on strategy implementation according to regulatory requirements. It issued four supervision and evaluation opinions on matters such as the implementation of plans for 2023 and the first half of 2024, capital management and the management of advanced capital measurement approaches, and the corporate social responsibility report.

**Supervised duty performance in a rigorous and standardised manner.** The Board of Supervisors continuously monitored the duty performance of the Board of Directors, the Senior Management and their members regarding their compliance with laws, regulations, regulatory requirements and the Articles of Association, implementation of the nation's decisions and plans, meeting attendance and their contribution of opinions and suggestions, and implementation of the resolutions of the shareholders' meeting and meetings of the Board of Directors. It continuously improved its supervision effectiveness by regularly analysing regulatory notifications, important internal documents and reports of the Bank as well as problems identified in internal and external audits, focusing on the duty performance and achievements of the Board of Directors and the Senior Management in serving the real economy, consolidating the advantages of the

Bank's global layout and integrated operations, reinforcing the foundations for the high-quality development of deposits and loans, and rectifying problems identified in audits. It completed four quarterly supervision reports on the duty performance of the Board of Directors and the Senior Management, and voiced supervisory opinions. The Board of Supervisors continued to standardise the annual supervision and evaluation of duty performance, earnestly carrying out tasks such as formulating evaluation plans, conducting duty performance interviews, evaluating duty performance, reporting its opinions and applying the results. It reviewed reports on the duty performance of directors and senior management members and conducted in-depth panel discussions and written interviews based on their daily performance. It prepared 22 annual evaluation opinions on the duty performance of the Board of Directors, the Senior Management and their members, submitted the opinions to the shareholders' meeting and regulators as required, and provided written feedback to directors and senior management members.

**Carried out professional and meticulous financial supervision.** The Board of Supervisors analysed the challenges and opportunities faced by the Bank and strengthened its review and supervision of regular reports and other matters. It received quarterly business reports and reviewed the Bank's regular reports, profit distribution plans and other matters, as well as putting forward its own matters of concern and focus. The Board of Supervisors encouraged the Bank to explore and optimise its development model and business strategy in light of the low interest rate environment, enhance its the capabilities to manage and control liquidity risk of its overseas institutions and comprehensive operation companies, deepen the application of advanced capital measurement approaches, and strengthen market value management. The Board of Supervisors emphasised the importance of supervision reminders, focusing on key financial tasks. Based on the Bank's annual financial management priorities, annual business plans and financial budgets, the Board of Supervisors attended business situation analysis meetings and Financial Approval Committee meetings as non-voting attendees, tracked and supervised the compliance and effectiveness of the Group's major financial decisions and their implementation, continuously analysed changes in key financial indicators, and completed four quarterly supervision reports on the Bank's financial status. It recommended strengthening the full-process management of financial expenses, conducting pragmatic post-evaluations of financial expenses, deepening the integration of business, data and technology, and promoting the effective implementation of the "customer-centric" concept through management accounting. The Board of Supervisors supervised the work quality of external auditors. It received 4 audit work reports from the former external auditor, and urged the firm to safeguard the audit "bottom line", strictly implement audit procedures and strengthen audit quality management. The Board of Supervisors also listened to a report on arrangements for the engagement of new external auditors, encouraging auditors to undertake appropriate handover procedures. It heard the audit work report of the new external auditor, and stressed the importance of effectively fulfilling its external audit responsibilities. The Board of Supervisors carried out special financial supervision, implemented regulatory requirements and issued six supervision and evaluation opinions on regular reports, liquidity risk management and profit distribution plans, etc.

**Carried out risk management supervision in a comprehensive and in-depth manner.** The Board of Supervisors strengthened routine supervision by closely monitoring the development of the Bank's risk governance system and the prevention and resolution of risks in key areas. Supervisors attended meetings of the Board of Directors, the Risk Policy Committee, and the Risk and Internal Control Committee under the Senior Management (Executive Committee) as non-voting attendees, reviewed various risk management reports and completed four quarterly supervision reports on risks and internal control. It recommended improving the Group's long-term mechanism for integrated risk prevention and control at home and abroad, consolidating the parameter and data foundations of the ECL model approach, building a solid line of defence for information technology and network information security, and strengthening the intelligent pre-lending analysis and post-lending management of inclusive loans. The Board of Supervisors regularly monitored the compliance of major risk indicators to promote the optimisation and upgrading of the key risk indicator system. It carried out special risk management supervision, implemented regulatory requirements and issued seven supervision and evaluation opinions on matters such as comprehensive risk management, market risk management, consolidated management, stress test management, management of the expected credit loss model approach, reputational risk management, and off-balance sheet business management.

**Consistently carried out internal control and compliance supervision.** Focusing on the weak links in the construction of the Bank's internal control and case prevention, the Board of Supervisors attended relevant meetings including meetings of the Board of Directors and the Audit Committee as non-voting attendees, listened to reports on internal control, AML and compliance work, and strengthened its supervision of the Bank's efforts to foster an internal control and compliance culture, improvements to the internal control system and the operation of the internal control mechanism. It recommended enhancing the internal control management of important posts, key businesses and primary-level institutions, deepening the assessment of overseas money laundering risks, and reinforcing overseas compliance resource allocation. The Board of Supervisors carried out special supervision on internal control and compliance. In accordance with regulatory requirements, it issued 12 supervision and evaluation opinions on matters such as internal control, case prevention, AML management, compliance management, information disclosure, internal audit, data governance, behaviour management of employees, remuneration management, product management, and consumer protection.

**Carried out key supervision focusing on the Bank's central tasks.** With a focus on the Bank's central tasks, including implementing major national decisions, serving the real economy, becoming a stronger state-owned financial institution and maintaining financial stability, the Board of Supervisors identified further priorities and breakthrough areas for key supervision. A delegation led by supervisors carried out three key supervision tasks, including enhancing market competitiveness, promoting the high-quality development of green finance and strengthening the management of domestic corporate credits. It completed three supervision and survey reports, recommending that the Bank continuously improve its comprehensive and customer-centric product service capabilities, build practical and efficient closed-loop execution, steadily promote digital transformation, optimise its green finance development strategy, improve supporting measures for sustainable development, promote innovation in green finance products and services, strengthen the fostering of a credit risk culture, deepen reform of its corporate credit management system, and improve its full-process "early identification, early warning, early exposure and early disposal" working mechanism. The Board of Supervisors also actively tracked the implementation of its key supervision and survey findings from the previous year, promoting the effective implementation of its opinions and suggestions.

**Strengthened the development of the Board of Supervisors.** The Board of Supervisors improved its policy system and revised its rules and policies, such as the *Rules of Procedure of the Board of Supervisors*, to ensure they meet the latest regulatory requirements. It enhanced professional support for supervisors' performance of duties and organised themed training sessions, so as to ensure that supervisory efforts closely followed regulatory requirements and new changes in prevailing conditions. It further improved key information reporting mechanisms for the Board of Supervisors and supervisors, organised for supervisors to attend the Bank's important meetings as non-voting attendees, and shared notifications and work reports from regulators, internal and external auditors and the Bank's management in a timely manner. It strengthened the incentives and constraints for supervisors to perform their duties, and conducted annual performance evaluation of the Board of Supervisors and supervisors. The Board of Supervisors conducted annual performance evaluation of external supervisors for 2023 and formulated an evaluation implementation plan for 2024. All supervisors performed their supervision duties faithfully and diligently, played to their own strengths, and made efforts to improve their policy awareness and duty performance capability. In addition, they actively participated in meetings, carefully deliberated on proposals, listened to work reports, carried out key supervision, and provided professional, well-considered, and unbiased suggestions, conscientiously fulfilling their supervisory function.

Over the past year, the Board of Supervisors put forward more than 300 supervisory recommendations in various forms, such as supervisory concerns, supervisory evaluation comments, and supervisory reports, etc. The Board of Directors strongly supported the work of the Board of Supervisors, and requested the Senior Management to instruct relevant departments to earnestly study and implement the supervisory recommendations of the Board of Supervisors. The Senior Management attached great importance to the work of the Board of Supervisors and worked to cooperate by supervising relevant departments to put forward improvement measures and implement them in conjunction with their daily work, and to provide regular feedback to the Board of Supervisors on rectification progress. The work of the Board of Supervisors has played an active and effective role in helping the Bank strengthen its strategy implementation, improve operation and management activities, and prevent major risks.

During the reporting period, the Board of Supervisors held no objections to such matters under its supervision regarding the Bank's operational and legal compliance, financial position, use of raised funds, purchase and sale of assets, connected transactions, internal control, and information disclosure.

## Working Performance of the External Supervisors

During the reporting period, Mr. JIA Xiangsen, Mr. HUI Ping and Mr. CHU Yiyun, the external supervisors of the Bank, performed their supervisory duties in strict accordance with the provisions of the Articles of Association. They personally attended all meetings of the Board of Supervisors and its special committees during their terms of office, and participated in the research and decision-making of the significant affairs of the Board of Supervisors. They were present at shareholders' meetings and attended the meetings of the Board of Directors, the Strategic Development Committee, Corporate Culture and Consumer Protection Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee, and Connected Transactions Control Committee of the Board of Directors of the Bank. They led the key supervision and survey projects of the Board of Supervisors, provided advice and suggestions based on their experience and expertise, and contributed to the effective performance of supervisory duties by the Board of Supervisors.

The Board of Supervisors
26 March 2025

# Significant Events

## Material Litigation and Arbitration

The Bank was involved in certain litigation and arbitration cases in the regular course of its business. Given the range and scale of its international presence, the Bank may be involved in a variety of litigation, arbitration and judicial proceedings within different jurisdictions in the course of its regular business operations in different countries and regions across the world, and the ultimate outcomes of these proceedings involve various levels of uncertainty. Based upon the opinions of internal and external legal counsels, the Senior Management of the Bank believes that, at the current stage, these matters will not have a material impact on the financial position or operating results of the Bank. Should the ultimate outcomes of these matters differ from the initially estimated amounts, such differences will impact the profit or loss in the period during which such a determination is made.

## Purchase and Sale of Material Assets

During the reporting period, the Bank did not undertake any purchase and sale of material assets.

## Implementation of Stock Incentive Plan and Employee Stock Ownership Plan

The Bank approved a long-term incentive policy, including the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan, at the Board meeting and the extraordinary shareholders' meeting held in November 2005. To date, the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan have not been implemented.

## Significant Connected Transactions

The Bank had no significant connected transactions during the reporting period. For details of the related party transactions as defined by the relevant accounting standards by the end of the reporting period, please refer to Note V.44 to the Consolidated Financial Statements.

## Major Contracts and Enforcement thereof

### Material Custody, Sub-contracts and Leases

During the reporting period, the Bank did not take, or allow to subsist any significant custody of, sub-contract or lease assets from other companies, or allow its material business assets to be subject to such arrangements, in each case that is required to be disclosed.

## Material Guarantee Business

As approved by the PBOC and the NFRA, the Bank's guarantee business is an off-balance sheet item in the ordinary course of its business. The Bank operates its guarantee business in a prudent manner and has formulated specific management measures, operational processes and approval procedures in respect of the risks of guarantee business and carries out this business accordingly. During the reporting period, save as disclosed above, the Bank did not enter into or allow to subsist any material guarantee business that is required to be disclosed.

The Bank's guarantee business principally comprises letters of guarantee. For details of the outstanding amount of letters of guarantee issued by the Bank as at 31 December 2024, please refer to Note V.42 of the Consolidated Financial Statements.

During the reporting period, there was no violation of laws, administrative regulations or rules of the CSRC in the Bank's guarantee business.

## Other Major Contracts

During the reporting period, the Bank did not enter into or allow to subsist any other major contract that is required to be disclosed.

## Misappropriation of Funds by Controlling Shareholder and Other Related Parties

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes.

## Undertakings

Huijin made a "non-competing commitment" when the Bank launched its IPO. As at 31 December 2024, Huijin has strictly observed and has not breached such undertaking.

## Disciplinary Actions Imposed on the Bank, its Directors, Supervisors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its directors, supervisors, senior management members or controlling shareholder was subject to compulsory measures due to alleged crimes, subject to criminal punishment, investigated by the CSRC due to potential violation of laws and regulations or subject to administrative punishment by the CSRC, or had material administrative punishment imposed on them by other competent authorities. None of the directors, supervisors, senior management members or controlling shareholder was detained by disciplinary inspection and supervision authorities due to any potential material breach of laws, disciplinary regulations or duty crimes, nor did any such matter affect their duty performance. None of the directors, supervisors or senior management members was subject to compulsory measures by other competent authorities due to potential violation of laws and regulations, which may affect their duty performance.

## Integrity of the Bank and its Controlling Shareholder

During the reporting period, neither the Bank nor its controlling shareholder failed to perform any obligations from effective legal instruments of the court or pay off any due debt in large amount.

## Information on Environmental, Social and Governance Performance

For details of the Bank's environmental, social and governance performance, please refer to the Bank's *2024 Corporate Social Responsibility Report (Environmental, Social and Governance)* published on the websites of the SSE, the HKEX and the Bank.

## Other Events

The Bank has acquired the existing shares of China Construction Bank (Brasil) Banco Múltiplo S/A and subscribed for newly issued shares, resulting in a 68% equity stake in China Construction Bank (Brasil) Banco Múltiplo S/A. The transaction was closed on January 31, 2024. Following the transaction, the operational and managerial control of China Construction Bank (Brasil) Banco Múltiplo S/A was transferred to the Bank.

For announcements regarding other significant events during the reporting period made in accordance with regulatory requirements, please refer to the websites of the SSE, the HKEX and the Bank.

# Independent Auditor's Report

**To the shareholders of Bank of China Limited**
(Established in the People's Republic of China with limited liability)

## Opinion

We have audited the consolidated financial statements of Bank of China Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 224 to 446, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|

***Expected credit losses for loans and advances to customers measured at amortised cost***

The Group uses a number of significant judgements and assumptions in the measurement of expected credit losses, for example:

- Significant increase in credit risk – Criteria for identifying whether significant increase in credit risk is highly dependent on judgement and may have a significant impact on the expected credit losses for loans and advances to customers measured at amortised cost with longer remaining periods to maturity;
- Models and parameters – Inherently complex models are used to measure expected credit losses. Modelled parameters have numerous inputs and the parameter estimation involves many judgements and assumptions;
- Forward-looking information – Expert judgement is used to create macroeconomic forecasts and to consider the impact on expected credit losses under multiple economic scenarios given different weights;
- Whether financial assets are credit-impaired – The determination of credit impairment requires consideration of multiple factors, and measurement of expected credit losses depends on estimates of future cash flows.

As at 31 December 2024, loans and advances to customers measured at amortised cost amounted to RMB20,639,139 million, and impairment allowance for such loans and advances to customers totalled RMB538,786 million. As the measurement of expected credit losses involves many significant judgements and assumptions, impairment of loans and advances is considered a key audit matter.

Relevant disclosures are included in Note II.4、Note III.1、Note V.17 and Note VI.2 to the consolidated financial statements.

We evaluated and tested the design and operating effectiveness of key internal controls over credit granting, post approval credit management, loan credit rating system, collateral management as well as expected credit losses, including:

- With the support of our IT audit specialists, we evaluated and tested the data and processes used to determine expected credit losses, including loan business data, internal credit rating data, macroeconomic data, as well as the computational logic, inputs and system interfaces of the impairment assessment system;
- We evaluated and tested key internal controls over the management, implementation and monitoring of expected credit losses approach, including approval of key policies and procedures, key models and related parameters and their adjustments, and ongoing monitoring of model performance, model validation and parameter calibration.

We adopted a risk-based sampling approach in our loan review procedures to evaluate the Group's judgement in loan grading and staging. We selected samples based on risk characteristics of individual items including the industry, loan grading and past due history. We formed an independent view on the loan grading and staging through assessing the debtors' repayment capacity, taking into consideration of post-lending inspection reports, debtors' financial information, collateral valuation reports and other available information. For credit-impaired loans and advances, on a sampling basis, we recalculated the credit impairment allowance by analysing the amount, timing and probability of management's estimated future cash flows, especially recoverable cash flows from collaterals.

## Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|

***Expected credit losses for loans and advances to customers measured at amortised cost (Continued)***

In collaboration with our modelling specialists, we evaluated and tested the expected credit loss model, key parameters, and management's significant judgements and assumptions for the loans and advances to customers, with a focus on the following aspects:

- Taking into account the macroeconomic changes, industry risk factors, and results of validation, reassessment and optimisation of ECL model, we assessed the ECL model methodology and related parameters, including probability of default, loss given default, exposure at default, risk grouping, and whether there had been a significant increase in credit risk;

- We assessed the forward-looking information used by management to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and weightings of multiple macroeconomic scenarios;

- We assessed the appropriateness of management's determination of credit impairment by performing back-testing.

We evaluated and tested the design and operating effectiveness of key internal controls related to disclosures of credit risk exposures and expected credit losses.

## Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| ***Valuation of financial assets*** | |
| The fair value of the Group's financial assets measured at fair value is determined either by active markets quotes or valuation techniques. Valuation techniques are used to determine the fair value of financial assets that do not have quoted prices in active markets, such as private fund, unlisted equity and certain debt investments. These techniques may involve the use of significant unobservable inputs requiring assumptions and estimates based on management's subjective judgements. Valuation results can vary significantly under different valuation techniques or assumptions.<br><br>As at 31 December 2024, the carrying amount of the Group's financial assets measured at fair value totalled RMB6,101,383 million. These comprised financial assets categorised as Level 1 under the fair value hierarchy, measured using quoted prices (unadjusted) in active market (9.59%), financial assets categorised as Level 2, measured using valuation techniques for which all significant valuation inputs are observable (87.23%), and financial assets categorised as Level 3, where fair value measurement involves significant unobservable inputs with higher uncertainty in valuation results, (3.18%). Given the materiality of financial assets measured at fair value and the significant judgements involved in fair value measurement of Level 3 financial assets, we consider valuation of financial assets a key audit matter.<br><br>Relevant disclosures are included in Note III.2, Note V.15, Note V.16, Note V.17, Note V.18 and Note VI.5 to the consolidated financial statements. | We evaluated and tested the design and operating effectiveness of key internal controls related to the valuation of financial assets, including validation and approval of valuation models and assumptions, review and approval of valuation results, as well as information technology general controls, system interfaces and automated calculation controls of related systems.<br><br>We performed audit procedures to evaluate the valuation techniques, data inputs and assumptions used by the Group on a sample basis.<br><br>For Level 1 financial assets, we compared the Group's valuation result with unadjusted quoted prices in active markets.<br><br>For Level 2 and Level 3 financial assets, we evaluated the valuation techniques, data inputs and assumptions adopted by the Group through comparison with the valuation techniques that are commonly used in the market by industry peers, validation of observable inputs against external market data, and comparison with valuation outcomes obtained from various pricing sources. For financial assets whose valuations were calculated using significant unobservable inputs, we involved our valuation specialists to assess the valuation model and unobservable valuation inputs for such financial assets, performed independent valuations on selected samples and compared the valuation results with those of the Group.<br><br>We evaluated and tested the design and operating effectiveness of key internal controls related to disclosures of fair value. |

## Key Audit Matters (Continued)

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| ***Consolidation assessment and disclosure of structured entities*** | |
| The Group holds interests in many different structured entities as a result of its business activities in asset management, financial investment and asset securitizations, such interests in structured entities include wealth management products, funds and asset management plans. The Group needs to comprehensively consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation.<br><br>The assessment of the Group's control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and returns earned or losses incurred from providing credit enhancement or liquidity support. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements and estimates. In view of the significance and the complexity of management judgements, we consider consolidation assessment and disclosures of structured entities a key audit matter.<br><br>Relevant disclosures are included in Note III.6 and Note V.47 to the consolidated financial statements. | We evaluated and tested the design and operating effectiveness of the key internal controls related to the Group's assessment of whether it controls a structured entity.<br><br>We assessed the Group's analysis and conclusions on whether it controls structured entities based on the management's analysis on the Group's power over structured entities, the magnitude and variability of the variable returns from its involvement with the structured entities and the linkage between these two matters, taking into consideration of all relevant facts and circumstances.<br><br>We reviewed the contract documents on a sample basis to examine the purpose of the establishment of the structured entities, and analysed the Group's rights and variability of the variable returns from its involvement with the structured entities, including whether the Group has legal or constructive obligations to the structured entities and ultimately bears the losses of the structured entities (such as whether the Group has provided liquidity support and credit enhancement to the structured entities initiated by it).<br><br>We evaluated and tested the design and operating effectiveness of key internal controls related to disclosures of unconsolidated structured entities. |

## Other Information Included in the Annual Report

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Consolidated Financial Statements

The directors of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Bank are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Bank either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Bank are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tso Pui Sze.

**Ernst & Young**
*Certified Public Accountants*

Hong Kong
26 March 2025

# Consolidated Financial Statements

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**BANK OF CHINA LIMITED**

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | | Year ended 31 December | |
|---|---|---|---|
| | **Note** | **2024** | **2023** |
| Interest income | V.1 | 1,071,539 | 1,048,851 |
| Interest expense | V.1 | (622,605) | (582,306) |
| **Net interest income** | | **448,934** | **466,545** |
| Fee and commission income | V.2 | 88,587 | 92,369 |
| Fee and commission expense | V.2 | (11,997) | (13,504) |
| **Net fee and commission income** | | **76,590** | **78,865** |
| Net trading gains | V.3 | 36,491 | 28,723 |
| Net gains on transfers of financial asset | V.4 | 11,399 | 806 |
| Other operating income | V.5 | 59,357 | 49,199 |
| **Operating income** | | **632,771** | **624,138** |
| Operating expenses | V.6 | (235,770) | (222,933) |
| Credit impairment losses | V.9 | (102,463) | (106,494) |
| Impairment losses on other assets | | (259) | (68) |
| **Operating profit** | | **294,279** | **294,643** |
| Share of results of associates and joint ventures | V.19 | 675 | 965 |
| **Profit before income tax** | | **294,954** | **295,608** |
| Income tax expense | V.10 | (42,235) | (49,237) |
| **Profit for the year** | | **252,719** | **246,371** |
| **Attributable to:** | | | |
| Equity holders of the Bank | | 237,841 | 231,904 |
| Non-controlling interests | | 14,878 | 14,467 |
| | | **252,719** | **246,371** |
| Earnings per share (in RMB) | V.11 | | |
| — Basic | | 0.75 | 0.74 |
| — Diluted | | 0.75 | 0.74 |

For details of the dividends paid or proposed, please refer to Note V.39.3.

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|---|
| **Profit for the year** | | **252,719** | **246,371** |
| **Other comprehensive income:** | V.12 | | |
| **Items that will not be reclassified to profit or loss** | | | |
| — Actuarial (losses)/gains on defined benefit plans | | (11) | 31 |
| — Changes in fair value on equity instruments designated at fair value through other comprehensive income | | 5,176 | 4,348 |
| — Other | | 48 | (2) |
| Subtotal | | 5,213 | 4,377 |
| **Items that may be reclassified to profit or loss** | | | |
| — Changes in fair value on debt instruments measured at fair value through other comprehensive income | | 58,713 | 20,243 |
| — Allowance for credit losses on debt instruments measured at fair value through other comprehensive income | | (1,501) | 1,501 |
| — Finance expenses from insurance contracts issued | | (7,247) | (4,096) |
| — Exchange differences from the translation of foreign operations | | 5,610 | 7,007 |
| — Other | | 505 | (39) |
| Subtotal | | 56,080 | 24,616 |
| **Other comprehensive income for the year, net of tax** | | **61,293** | **28,993** |
| **Total comprehensive income for the year** | | **314,012** | **275,364** |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Bank | | 298,136 | 259,160 |
| Non-controlling interests | | 15,876 | 16,204 |
| | | **314,012** | **275,364** |

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | | As at 31 December | |
|---|---|---|---|
| | **Note** | **2024** | **2023** |
| **ASSETS** | | | |
| Cash and due from banks and other financial institutions | V.13 | 582,448 | 568,855 |
| Balances with central banks | V.14 | 2,467,857 | 2,941,140 |
| Placements with and loans to banks and other financial institutions | V.15 | 1,442,072 | 1,233,888 |
| Government certificates of indebtedness for bank notes issued | V.27 | 217,405 | 203,176 |
| Precious metals | | 179,635 | 96,968 |
| Derivative financial assets | V.16 | 183,177 | 146,750 |
| Loans and advances to customers, net | V.17 | 21,055,282 | 19,476,871 |
| Financial investments | V.18 | 8,360,277 | 7,158,717 |
| — Financial assets at fair value through profit or loss | | 600,297 | 550,421 |
| — Financial assets at fair value through other comprehensive income | | 4,388,945 | 3,248,113 |
| — Financial assets at amortised cost | | 3,371,035 | 3,360,183 |
| Investments in associates and joint ventures | V.19 | 40,972 | 39,550 |
| Property and equipment | V.20 | 223,905 | 227,135 |
| Construction in progress | V.21 | 21,717 | 20,346 |
| Investment properties | V.22 | 22,431 | 22,704 |
| Deferred income tax assets | V.36 | 62,691 | 75,156 |
| Other assets | V.23 | 201,430 | 220,910 |
| **Total assets** | | **35,061,299** | **32,432,166** |

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | | As at 31 December | |
|---|---|---|---|
| | **Note** | **2024** | **2023** |
| **LIABILITIES** | | | |
| Due to banks and other financial institutions | V.25 | 2,933,752 | 2,245,362 |
| Due to central banks | V.26 | 1,112,016 | 1,235,320 |
| Bank notes in circulation | V.27 | 217,415 | 203,249 |
| Placements from banks and other financial institutions | V.28 | 607,201 | 474,977 |
| Financial liabilities held for trading | V.29 | 57,604 | 54,264 |
| Derivative financial liabilities | V.16 | 153,456 | 135,973 |
| Due to customers | V.30 | 24,202,588 | 22,907,050 |
| Bonds issued | V.31 | 2,056,549 | 1,802,446 |
| Other borrowings | V.32 | 42,961 | 36,176 |
| Current tax liabilities | V.33 | 29,021 | 59,303 |
| Retirement benefit obligations | V.34 | 1,594 | 1,676 |
| Deferred income tax liabilities | V.36 | 9,130 | 7,397 |
| Other liabilities | V.37 | 685,048 | 512,158 |
| **Total liabilities** | | **32,108,335** | **29,675,351** |
| **EQUITY** | | | |
| **Capital and reserves attributable to equity holders of the Bank** | | | |
| Share capital | V.38.1 | 294,388 | 294,388 |
| Other equity instruments | V.38.3 | 409,513 | 399,505 |
| — Preference shares | | 119,550 | 119,550 |
| — Perpetual bonds | | 289,963 | 279,955 |
| Capital reserve | V.38.2 | 135,768 | 135,736 |
| Other comprehensive income | V.12 | 95,268 | 34,719 |
| Statutory reserves | V.39.1 | 279,006 | 256,729 |
| General and regulatory reserves | V.39.2 | 414,638 | 379,285 |
| Undistributed profits | V.39 | 1,187,650 | 1,129,148 |
| | | **2,816,231** | **2,629,510** |
| **Non-controlling interests** | V.40 | **136,733** | **127,305** |
| **Total equity** | | **2,952,964** | **2,756,815** |
| **Total equity and liabilities** | | **35,061,299** | **32,432,166** |

Approved and authorised for issue by the Board of Directors on 26 March 2025.

The accompanying notes form an integral part of these consolidated financial statements.

| | |
|---|---|
| **GE Haijiao** | **ZHANG Hui** |
| *Director* | *Director* |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | | Attributable to equity holders of the Bank | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Other equity instruments | | | | | | | | |
| | Note | Share capital | Preference shares | Perpetual bonds | Capital reserve | Other comprehensive income | Statutory reserves | General and regulatory reserves | Undistributed profits | Non-controlling interests | Total |
| As at 1 January 2024 | | 294,388 | 119,550 | 279,955 | 135,736 | 34,719 | 256,729 | 379,285 | 1,129,148 | 127,305 | 2,756,815 |
| Total comprehensive income | V.12 | – | – | – | – | 60,295 | – | – | 237,841 | 15,876 | 314,012 |
| Capital contribution and reduction by other equity instruments holders | V.38.3 | – | – | 10,008 | (12) | – | – | – | – | – | 9,996 |
| Acquisition of subsidiaries | V.41 | – | – | – | – | – | – | – | – | 690 | 690 |
| Capital reduction by non-controlling shareholders | | – | – | – | 15 | – | – | – | – | (54) | (39) |
| Appropriation to statutory reserves | V.39.1 | – | – | – | – | – | 22,277 | – | (22,277) | – | – |
| Appropriation to general and regulatory reserves | V.39.2 | – | – | – | – | – | – | 35,353 | (35,353) | – | – |
| Dividends | V.39.3 | – | – | – | – | – | – | – | (121,455) | (7,096) | (128,551) |
| Other comprehensive income transferred to retained earnings | | – | – | – | – | 254 | – | – | (254) | – | – |
| Other | | – | – | – | 29 | – | – | – | – | 12 | 41 |
| As at 31 December 2024 | | 294,388 | 119,550 | 289,963 | 135,768 | 95,268 | 279,006 | 414,638 | 1,187,650 | 136,733 | 2,952,964 |

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | | Attributable to equity holders of the Bank | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Other equity instruments | | | | | | | | |
| | Note | Share capital | Preference shares | Perpetual bonds | Capital reserve | Other comprehensive income | Statutory reserves | General and regulatory reserves | Undistributed profits | | |
| As at 1 January 2023 | | 294,388 | 119,550 | 249,955 | 135,759 | 5,505 | 235,362 | 337,465 | 1,045,989 | 139,328 | 2,563,301 |
| Total comprehensive income | V.12 | – | – | – | – | 27,256 | – | – | 231,904 | 16,204 | 275,364 |
| Capital contribution by other equity instruments holders | | – | – | 30,000 | (2) | – | – | – | – | – | 29,998 |
| Capital contribution and reduction by non-controlling shareholders | | – | – | – | (38) | – | – | – | – | (20,938) | (20,976) |
| Appropriation to statutory reserves | V.39.1 | – | – | – | – | – | 21,529 | – | (21,529) | – | – |
| Appropriation to general and regulatory reserves | V.39.2 | – | – | – | – | – | – | 41,820 | (41,820) | – | – |
| Dividends | | – | – | – | – | – | – | – | (83,594) | (7,288) | (90,882) |
| Other comprehensive income transferred to retained earnings | | – | – | – | – | (110) | – | – | 110 | – | – |
| Other | | – | – | – | 17 | 2,068 | (162) | – | (1,912) | (1) | 10 |
| As at 31 December 2023 | | 294,388 | 119,550 | 279,955 | 135,736 | 34,719 | 256,729 | 379,285 | 1,129,148 | 127,305 | 2,756,815 |

The accompanying notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before income tax | | 294,954 | 295,608 |
| Adjustments: | | | |
| Impairment losses on assets | | 102,722 | 106,562 |
| Depreciation of property and equipment and right-of-use assets | | 21,566 | 22,648 |
| Amortisation of intangible assets and other assets | | 7,655 | 7,768 |
| Net gains on disposals of property and equipment, intangible assets and other long-term assets | | (2,635) | (1,492) |
| Net gains on disposals of investments in subsidiaries, associates and joint ventures | | (13) | (11) |
| Share of results of associates and joint ventures | | (675) | (965) |
| Interest income arising from financial investments | | (217,128) | (192,293) |
| Dividends arising from investment securities | | (559) | (643) |
| Net (gains)/losses on financial investments | | (10,356) | 481 |
| Interest expense arising from bonds issued | | 58,002 | 45,777 |
| Accreted interest on impaired loans | | (2,096) | (946) |
| Interest expense arising from lease liabilities | | 609 | 663 |
| Net changes in operating assets and liabilities: | | | |
| Net decrease/(increase) in balances with central banks | | 52,038 | (127,274) |
| Net decrease in due from and placements with and loans to banks and other financial institutions | | 10,150 | 57,503 |
| Net (increase)/decrease in precious metals | | (82,640) | 33,264 |
| Net increase in loans and advances to customers | | (1,688,167) | (2,461,455) |
| Net increase in other assets | | (68,250) | (25,367) |
| Net increase in due to banks and other financial institutions | | 680,598 | 3,113 |
| Net (decrease)/increase in due to central banks | | (120,460) | 317,365 |
| Net increase in placements from banks and other financial institutions | | 119,587 | 7,123 |
| Net increase in due to customers | | 1,232,937 | 2,662,695 |
| Net increase in other borrowings | | 6,785 | 11,271 |
| Net increase in other liabilities | | 230,321 | 113,808 |
| Cash inflow from operating activities | | 624,945 | 875,203 |
| Income tax paid | | (73,979) | (58,757) |
| Net cash inflow from operating activities | | **550,966** | **816,446** |

The accompanying notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**
For the year ended 31 December 2024 (Amounts in millions of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December 2024 | 2023 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Proceeds from disposals of property and equipment, intangible assets and other long-term assets | | 10,907 | 5,553 |
| Proceeds from disposals of investments in subsidiaries, associates and joint ventures | | 23 | 161 |
| Dividends received | | 1,244 | 1,813 |
| Interest income received from financial investments | | 214,539 | 185,033 |
| Proceeds from disposals/maturities of financial investments | | 4,802,831 | 3,631,629 |
| Increase in investments in subsidiaries, associates and joint ventures | | (1,130) | (2,005) |
| Purchase of property and equipment, intangible assets and other long-term assets | | (27,236) | (29,148) |
| Purchase of financial investments | | (5,809,699) | (4,332,464) |
| Other net cash flows from investing activities | V.43 | 2,535 | – |
| Net cash outflow from investing activities | | **(805,986)** | **(539,428)** |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of bonds | | 1,497,728 | 1,316,278 |
| Proceeds from issuance of other equity instruments | | 49,996 | 30,000 |
| Proceeds from capital contribution by non-controlling shareholders | | – | 62 |
| Repayments of debts issued | | (1,263,876) | (1,077,585) |
| Cash payments for interest on bonds issued | | (32,532) | (29,317) |
| Cash payments for redemption of other equity instruments | | (40,000) | (21,296) |
| Dividend payments to ordinary shareholders | | (69,593) | (68,298) |
| Dividend and interest payments to other equity instrument holders | | (16,298) | (15,284) |
| Dividend payments to non-controlling shareholders | | (7,094) | (7,288) |
| Other net cash flows from financing activities | | (6,471) | (7,410) |
| Net cash inflow from financing activities | | **111,860** | **119,862** |
| Effect of exchange rate changes on cash and cash equivalents | | (4,636) | 28,379 |
| **Net (decrease)/increase in cash and cash equivalents** | | **(147,796)** | **425,259** |
| Cash and cash equivalents at beginning of year | | 2,516,725 | 2,091,466 |
| Cash and cash equivalents at end of year | V.43 | **2,368,929** | **2,516,725** |
| **Net cash flows from operating activities include:** | | | |
| Interest received | | 892,693 | 882,832 |
| Interest paid | | (505,806) | (488,456) |

The accompanying notes form an integral part of these consolidated financial statements.

## I GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Bank of China Limited (the "Bank"), formerly known as Bank of China, a state-owned joint stock commercial bank, was founded on 5 February 1912. From its formation until 1949, the Bank performed various functions of a central bank, foreign exchange bank and commercial bank specialising in trade finance. After 1949, the Bank was designated as the state-designated specialised foreign exchange and trade bank. Since 1994, the Bank has evolved into a state-owned commercial bank. In this regard, in accordance with the Master Implementation Plan for the Joint Stock Reform approved by the State Council of the PRC, the Bank was converted into a joint stock commercial bank on 26 August 2004 and its name was changed from Bank of China to Bank of China Limited. In 2006, the Bank was listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The Bank is licensed as a financial institution by the National Administration of Financial Regulation (the former China Banking and Insurance Regulatory Commission, the "NFRA") No. B0003H111000001 and is issued the business license of legal enterprise with unified social credit code No. 911000001000013428 by the State Administration of Industry and Commerce of the PRC. The registered address is No. 1, Fuxingmen Nei Dajie, Beijing, China.

The Bank and its subsidiaries (together the "Group") provide a full range of corporate banking, personal banking, treasury operations, investment banking, insurance and other services to its customers in the Chinese mainland, Hong Kong (China), Macao (China), Taiwan (China) and other major international financial centres.

The Bank's principal regulator is the NFRA. The operations of the Group in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions are subject to the supervision of local regulators.

The parent company is Central Huijin Investment Limited ("Huijin"), a wholly owned subsidiary of China Investment Corporation ("CIC").

These consolidated financial statements were approved by the Board of Directors on 26 March 2025.

# II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

## 1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards"). In addition, the consolidated financial statements comply with the disclosure requirements of the *Hong Kong Companies Ordinance*.

Financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments) and investment properties are measured at their fair values in the consolidated financial statements. Other accounting items are measured at their historical costs. Impairment allowance is recognised and measured in accordance with the relevant policy.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note III.

### *1.1 Standards and amendments effective in 2024 relevant to and adopted by the Group*

On 1 January 2024, the Group adopted the following IFRS Accounting Standards and amendments issued by the International Accounting Standards Board ("IASB"), which were mandatorily effective:

| | |
|---|---|
| Amendments to IAS 1 | *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* |
| Amendments to IAS 7 and IFRS 7 | *Supplier finance arrangements* |
| Amendments to IFRS 16 | *Lease Liability in a Sale and Leaseback* |

Amendments made to IAS 1 *Presentation of Financial Statements* in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

(Amounts in millions of Renminbi, unless otherwise stated)

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 1 Basis of preparation (Continued)

#### *1.1 Standards and amendments effective in 2024 relevant to and adopted by the Group (Continued)*

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments* clarify the characteristics of supplier finance arrangements ("SFAs") and require additional disclosure of such arrangements. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

Amendments to IFRS 16 introduce a new accounting model for variable payments and require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following: On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

The adoption of the above standards and amendments does not have any significant impact on the operating results, comprehensive income and financial position of the Group for the year ended 31 December 2024.

#### *1.2 Standards and amendments that are not yet effective in the current year and have not been adopted before their effective dates by the Group*

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| Amendments to IAS 21 | *Lack of Exchangeability* | 1 January 2025 |
| Amendments to IFRS 9 and IFRS 7 | *Classification and Measurement of Financial Instruments* | 1 January 2026 |
| IFRS 18 | *Presentation and Disclosure in Financial Statements* | 1 January 2027 |
| IFRS 19 | *Subsidiaries without Public Accountability: Disclosures* | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Effective date has been deferred indefinitely |

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 1 Basis of preparation (Continued)

#### *1.2 Standards and amendments that are not yet effective in the current year and have not been adopted before their effective dates by the Group (Continued)*

Amendments to IAS 21 elaborated the definitions of exchangeable, that is when an entity is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, an entity needs to estimate the spot exchange rate to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* address diversity in accounting practice by making the requirements on classification and measurement of financial instruments more understandable and consistent. The amendments: clarify the date of recognition and derecognition of financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest on the principal amount outstanding criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and update the disclosures for equity instruments designated at fair value through other comprehensive income.

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1 *Presentation of Financial Statements* in response to investors' concerns about the comparability and transparency of entities' performance reporting. The key new concepts introduced in this new standard relate to the structure of the statement of profit or loss; required disclosures on management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures* allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Bank is a listed company, it is not eligible to elect to apply IFRS 19.

Amendments to IFRS 10 and IAS 28 clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The amendments require a full recognition of a gain or loss when the sale or contribution between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture.

The adoption of the above standards and amendments will have no material impact on the Group's and the Bank's financial statements.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2 Consolidation

#### *2.1 Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible and rights arising from other contractual arrangements are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. If the changes of the relevant facts and circumstances resulting in changes of relevant elements in the definition of control, the Group will re-evaluate whether subsidiaries are controlled.

The Group uses acquisition method of accounting for business combinations. Consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. Consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement. Goodwill is tested for impairment annually, or more frequently whenever there is an indication of possible impairment, and carried at cost less accumulated impairment losses. If there is any indication that goodwill is impaired, the recoverable amount is estimated and the difference between the carrying amount and the recoverable amount is recognised as an impairment charge. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2 Consolidation (Continued)

#### *2.1 Subsidiaries (Continued)*

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Bank's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments, but does not include acquisition-related costs, which are expensed as incurred. Dividends or profits declared to distribute by the invested entity shall be recognised by the Bank as other operating income. The Group assesses at each financial reporting date whether there is objective evidence that an investment in subsidiaries is impaired. An impairment loss is recognised for the amount by which the investment in subsidiaries' carrying amount exceeds its recoverable amount. Recoverable amount is the higher of the investment in subsidiaries' fair value less costs to sell and value in use.

#### *2.2 Associates and joint ventures*

Associates are all entities over which the Group has significant influence but no control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint ventures exist where the Group has a contractual arrangement with one or more parties to undertake economic activities which are subject to joint control.

Investments in associates and joint ventures are initially recognised at cost and accounted for using the equity method of accounting. The Group's "Investment in associates and joint ventures" includes goodwill.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in the associates and joint ventures; unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group assesses at each financial reporting date whether there is objective evidence that investments in associates and joint ventures are impaired. Impairment losses are recognised for the amounts by which the investments in associates and joint ventures' carrying amounts exceed their recoverable amounts. The recoverable amounts are the higher of investments in associates and joint ventures' fair value less costs to sell and value in use.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2 Consolidation (Continued)

#### *2.3 Transactions with non-controlling interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to the income statement or retained earnings.

### 3 Foreign currency translation

#### *3.1 Functional and presentation currency*

The functional currency of the Group's operations in the Chinese mainland is Renminbi ("RMB"). Items included in the financial statements of each of the Group's operations in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The presentation currency of the Group is RMB.

#### *3.2 Transactions and balances*

Foreign currency transactions are translated into respective functional currency using the exchange rates prevailing at the dates of the transactions, or the exchange rates that approximate the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the financial reporting date are translated at the foreign exchange rates ruling at that date. Changes in the fair value of monetary securities denominated in foreign currencies classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in "Other comprehensive income". Translation differences on all other monetary assets and liabilities are recognised in the income statement.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 3 Foreign currency translation (Continued)

#### *3.2 Transactions and balances (Continued)*

Non-monetary assets and liabilities that are measured at historical cost in foreign currencies are translated using the foreign exchange rates at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated using the foreign exchange rates at the date the fair value is determined. Translation differences on non-monetary financial assets classified as financial assets at fair value through other comprehensive income are recognised in "Other comprehensive income". Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in the income statement.

Except for the entities operating in a hyper-inflationary economy, where all financial statement items are translated into the presentation currency at the closing rate at the statement of financial position date, the results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each income statement are translated at exchange rates at the date of the transactions, or a rate that approximates the exchange rates of the date of the transactions; and

- all resulting exchange differences are recognised in "Other comprehensive income".

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of customers deposits taken and other currency instruments designated as hedges of such investments are recognised in "Other comprehensive income". When a foreign entity is disposed of, these exchange differences are recognised in the income statement.

The effect of exchange rate changes on cash and cash equivalents is presented individually in the statement of cash flows.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments

#### *4.1 Initial recognition and measurement*

The Group recognises a financial asset or financial liability in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument, which is the trade date.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. For a financial asset or financial liability at fair value through profit or loss, transaction costs are directly recognised in profit or loss. For other financial asset or liability, transaction costs are recognised in the initial measurement.

The fair value of a financial instrument at initial recognition is normally the transaction price. If the Group determines that the fair value at initial recognition differs from the transaction price, and if that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

#### *4.2 Classification and Subsequent measurement*

*4.2.1 Financial assets*

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

*Business model*

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows. For example, financial assets are held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If above two situations are not applicable, the financial assets are classified as part of "other" business model. The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on the basis of scenarios which are reasonably expected to occur, taking into account: how cash flows were realised in the past, how the performance are evaluated and reported to the entity's key management personnel; the risks that affect the performance and the way in which those risks are assessed and managed; and how managers of the business are compensated, etc.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.2 Classification and Subsequent measurement (Continued)*

*4.2.1 Financial assets (Continued)*

*The contractual cash flow characteristics*

The assessment of contractual cash flow characteristics is to determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However, the principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

*(1) Financial assets at amortised cost*

The Group classifies financial assets as subsequently measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets that the Group holds are subsequently measured at amortised cost. That is, the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

*(2) Financial assets at fair value through other comprehensive income*

The Group classifies financial assets as subsequently measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.2 Classification and Subsequent measurement (Continued)*

*4.2.1 Financial assets (Continued)*

*(2) Financial assets at fair value through other comprehensive income (Continued)*

Such financial assets that the Group holds are subsequently measured at fair value. A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognised in "Other comprehensive income", except for interests calculated using effective interest method, impairment losses or reversal; and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. The impairment allowances for such financial assets are recognised in other comprehensive income, impairment losses or reversal are recognised in profit or loss, and not reduce the carrying amount of such financial assets in the statement of financial position.

*Investments in equity instruments*

The Group may, at initial recognition, irrevocably designate an investment in equity instrument, which is not held for trading, as at fair value through other comprehensive income when it meets the definition of an equity instrument under IAS 32 *Financial Instruments: Presentation*. When the equity instrument is derecognised, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from other comprehensive income to undistributed profits under equity. Dividends, which the Group is entitled to collect, on equity investments in such measurement category are recognised in profit or loss. No impairment losses or reversal are recognised for such equity instruments.

*(3) Financial assets at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, which includes financial assets held for trading, financial assets designated as at fair value through profit or loss and other financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9.

Such financial assets that the Group holds are subsequently measured at fair value. A gain or loss on such financial asset is recognised in profit or loss unless it is part of a hedging relationship. Dividends, which the Group is entitled to collect, on equity investments in such measurement category are recognised in profit or loss.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.2 Classification and Subsequent measurement (Continued)*

*4.2.1 Financial assets (Continued)*

*(3) Financial assets at fair value through profit or loss (Continued)*

When, and only when, the Group changes the business model for managing financial assets, the Group shall reclassify all affected financial assets. Reclassification is applied prospectively from the first day of the first reporting period following the change in business model.

*4.2.2 Financial liabilities*

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

- financial guarantee contracts and commitments to provide a loan at a below-market interest rate.

Financial liabilities at fair value through profit or loss held by the Group are subsequently measured at fair value. A gain or loss on a financial liability that is measured at fair value is recognised in profit or loss unless:

- it is part of a hedging relationship; or

- it is a financial liability designated as at fair value through profit or loss and the effects of changes in the Group's credit risk are presented in other comprehensive income. When such financial liability is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to undistributed profits under equity.

The Group does not reclassify any financial liabilities.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.2 Classification and Subsequent measurement (Continued)*

*4.2.3 Financial assets and financial liabilities held for trading*

A financial asset or financial liability is classified as held for trading if it:

- is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

*4.2.4 Financial assets and financial liabilities designated as at fair value through profit or loss*

The Group may, at initial recognition, irrevocably designate a financial asset or financial liability as measured at fair value through profit or loss, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a portfolio of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the portfolio is provided internally on that basis to the Group's key management personnel; or
- the financial liability contains one or more embedded derivatives, unless the embedded derivative(s) does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.3 Financial guarantee contracts and loan commitments*

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies to secure customer loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the financial guarantee contracts are measured at the higher of the initial measurement less amortisation calculated and the impairment allowance determined by the expected credit loss ("ECL") model at the financial reporting date. Any increase in the liability relating to financial guarantee contracts is recognised in the income statement.

Loan commitments are commitments provided by the Group to customers to grant loans under the established contract terms during certain period. The impairment allowance for loan commitments is measured using the ECL model.

The impairment allowances for financial guarantees and loan commitments are presented in "Other liabilities – provision".

#### *4.4 Determination of fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of quoted financial assets and financial liabilities in active markets are based on market prices, as appropriate. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and option pricing models, and other valuation techniques commonly used by market participants.

The Group uses valuation techniques commonly used by market participants to price financial instruments and techniques which have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The Group makes use of all factors that market participants would consider in setting a price, and incorporates these into its chosen valuation techniques and tests for validity using prices from any observable current market transactions in the same instruments.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.5 Derecognition of financial instruments*

Financial assets are derecognised when the rights to receive cash flows from the investments have expired, or when a financial asset is transferred, the Group has transferred substantially all risks and rewards of ownership, or when the Group neither transfers nor retains substantially all risks or rewards of ownership of the financial asset but has not retained control of the financial asset.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

#### *4.6 Impairment measurement for losses on assets*

At the financial reporting date, the Group assesses and recognises the relevant impairment allowances for financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, and loan commitments and financial guarantee contracts on the basis of expected credit losses.

*Measurement of ECL*

ECL is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows expected to be received by the Group discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets), i.e. the present value of all cash shortfalls.

According to the changes of credit risk of financial instruments since initial recognition, the Group calculates ECL by three stages:

- Stage 1: Financial instruments without significant increases in credit risk since initial recognition are included in stage 1 to calculate their impairment allowance at an amount equivalent to the ECL of the financial instruments for the next 12 months;

- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition but have no objective evidence of impairment are included in stage 2, with their impairment allowance measured at an amount equivalent to the ECL over the lifetime of the financial instruments;

- Stage 3: Financial assets with objective evidence of impairment at the financial reporting date are included in stage 3, with their impairment allowance measured at an amount equivalent to the ECL over the lifetime of the financial instruments.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.6 Impairment measurement for losses on assets (Continued)*

*Measurement of ECL (Continued)*

Where, in the previous accounting period, the impairment allowance of a financial instrument was measured based on the ECL of the instrument over the entire lifetime, and while, at the current financial reporting date, such financial instrument is no longer regarded as experiencing a significant increase in credit risk since its initial recognition, the Group measures the impairment allowance of the financial instrument as at the financial reporting date using the ECL of the instrument over the next 12 months.

For purchased or originated credit-impaired financial assets, the Group only recognises the cumulative changes in lifetime expected credit losses since initial recognition at the financial reporting date as an impairment allowance. At each financial reporting date, the Group recognises in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss.

The Group measures ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- time value of money; and
- reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the financial reporting date.

When measuring ECL, an entity need not necessarily identify every possible scenario. However, the Group considers the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. The parameters, assumptions and estimation techniques used in measuring the ECL are disclosed in Note VI.2.3 measurement of ECL.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.7 Modification of contractual cash flows*

The Group sometimes modifies or renegotiates the contractual cash flows with a counterparty, which include extending payment term arrangements, repayment schedule modifications and changes to the interest settlement arrangement. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms.

If the terms are not substantially different, it does not result in a derecognition of the original financial asset. The risk of default of such assets after modification is assessed at the financial reporting date and compared with the risk under the original terms at initial recognition. The gross carrying amount of the financial asset is recalculated based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate, and the related gain or loss is recognised in profit and loss.

If the terms are substantially different, the Group derecognises the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. The Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

#### *4.8 Write off*

When the Group determines that a loan has no reasonable prospect of recovery after the Group has taken necessary actions and necessary proceedings, the loan is written off against its allowance for impairment losses. If in a subsequent period the loan written off is recovered, the amount recovered will be recognised in profit or loss captured within impairment losses on financial assets.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.9 Derivative financial instruments and hedge accounting*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow analysis and option pricing models, as appropriate. Credit risk valuation adjustments are applied to the Group's over-the-counter derivatives to reflect the credit risk of the counterparties and the Group, respectively. They are dependent on the expected future values of exposures for each counterparty and default probabilities, etc. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The treatment of the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged. For derivatives not designated or qualified as hedging instruments, including those intended to provide effective economic hedges of specific interest rate and foreign exchange risks, but do not qualify for hedge accounting, changes in the fair value of these derivatives are recognised in "Net trading gains" in the income statement.

The Group documents, at inception, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking hedge transactions. When designating a hedging relationship and on an ongoing basis, the Group assesses the hedge effectiveness, that is the extent to which changes in the fair value or cash flows of the hedging instrument offsets changes in fair values or cash flows of the hedged item.

The hedging relationship should meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument. That means the hedging instrument and hedged item have values that generally move in the opposite direction because of the same risk, which is the hedged risk;

- the effect of credit risk does not dominate the value changes that result from that economic relationship; and

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.9 Derivative financial instruments and hedge accounting (Continued)*

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Possible sources of ineffectiveness are as follows:

- notional and timing differences between the hedged items and hedging instruments;

- significant changes in counterparties' credit risk.

The Group discontinues hedge accounting prospectively when the hedging instrument expires or is sold, terminated or exercised (the replacement or rollover of a hedging instrument into another hedging instrument does not constitute an expiration or termination), or the hedging relationship ceases to meet the updated risk management objective, or to meet other qualifying criteria for hedging accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

*(1) Fair value hedge*

Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss.

The changes in fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in the income statement, together with the changes in fair value of the hedged item attributable to the hedged risk. The net result is included as ineffectiveness in the income statement.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.9 Derivative financial instruments and hedge accounting (Continued)*

*(2) Cash flow hedge*

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges is recognised in "Other comprehensive income". The ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the same periods when the hedged future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, that amount accumulated in the cash flow hedge reserve shall remain in equity. If the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss.

*(3) Net investment hedge*

Net investment hedge is a hedge of a net investment in a foreign operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are reclassified to the income statement when the foreign operation is disposed of as part of the gain or loss on the disposal.

When the Group separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element, the changes in the value of the forward element of the forward contract shall be recognised in other comprehensive income to the extent that it relates to the hedged item.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4 Financial instruments (Continued)

#### *4.10 Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the hybrid (combined) instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is a financial asset, the Group applies the requirements of classification and measurement to the entire hybrid contract. If a hybrid contract contains a host that is not a financial asset, the Group separates the embedded derivative from the host contract and accounts for it as a derivative, if, and only if:

- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;

- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

These embedded derivatives separated from the host contract are measured at fair value with changes in fair value recognised in the income statement.

If it is unable to measure the embedded derivative separately either at acquisition or at the subsequent financial reporting date, the Group will designate the entire hybrid instrument as at fair value through profit or loss.

#### *4.11 Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 5 Precious metals

Precious metals comprise gold, silver and other precious metals. The Group retains all risks and rewards of ownership related to precious metals deposited with the Group, including the right to freely pledge or transfer, and it records the precious metals received as an asset. A liability to return the amount of precious metals deposited is also recognised. Precious metals that are not related to the Group's precious metal market making and trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals that are related to the Group's market making and trading activities are initially recognised at fair value and subsequent changes in fair value included in "Net trading gains" are recognised in the income statement.

### 6 Repurchase agreements, agreements to re-sell and securities lending

Securities and bills sold subject to repurchase agreements ("Repos") continue to be recognised and are recorded as "Financial investments". The corresponding obligation is included in "Placements from banks and other financial institutions" and "Due to central banks". Securities and bills purchased under agreements to re-sell ("Reverse repos") are not recognised. The receivables are recorded as "Placements with and loans to banks and other financial institutions" or "Balances with central banks", as appropriate.

The difference between purchase and sale price is recognised as "Interest expense" or "Interest income" in the income statement over the life of the agreements using the effective interest method.

Securities lending transactions are generally secured, with collateral taking the form of securities or cash. Securities lent to counterparties by the Group are recorded in the consolidated financial statements. Securities borrowed from counterparties by the Group are not recognised in the consolidated financial statements of the Group. Cash collateral received or advanced is recognised as a liability or an asset in the consolidated financial statements.

### 7 Property and equipment and construction in progress

The Group's property and equipment mainly comprise buildings, equipment and motor vehicles and aircraft. When the costs attributable to the land use rights cannot be reliably measured and separated from that of the building at inception, the costs are included in the cost of buildings and recorded in "Property and equipment".

Assets purchased or constructed are initially measured at acquisition cost or deemed cost, as appropriate. Such initial cost includes expenditure that is directly attributable to the acquisition of the assets.

(Amounts in millions of Renminbi, unless otherwise stated)

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 7 Property and equipment and construction in progress (Continued)

Subsequent costs are included in an asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on a straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial reporting date.

Property and equipment are reviewed for impairment at each financial reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by the difference between proceeds and carrying amount, after deduction of relevant taxes and expenses. These are included in the income statement.

### *7.1 Buildings, equipment and motor vehicles*

Buildings comprise primarily branch and office premises. The estimated useful lives, estimated residual value rate and depreciation rate of buildings, equipment and motor vehicles are as follows:

| Type of assets | Estimated useful lives | Estimated residual value rate | Annual depreciation rate |
|---|---:|---:|---:|
| Buildings | 15-50 years | 3% | 1.9%-6.5% |
| Equipment | 3-15 years | 3% | 6.4%-32.4% |
| Motor vehicles | 4-6 years | 3% | 16.1%-24.3% |

### *7.2 Aircraft*

Aircraft are mainly used in the Group's aircraft operating leasing business.

Aircraft are depreciated using the straight-line method over the expected useful life of 25 years, less the years in service at the time of purchase to an estimated residual value rate varying from 0% to 15%.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 7 Property and equipment and construction in progress (Continued)

#### *7.3 Construction in progress*

Construction in progress consists of assets under construction or being installed and is stated at cost. Cost includes equipment cost, cost of construction, installation and other direct costs. Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use and the depreciation charge commences after such assets are transferred to property and equipment.

### 8 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

#### *8.1 As Lessee*

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any option to purchase the underlying asset as a short-term lease; and a lease for which the value of the individual underlying asset is relatively low when new as a lease of low-value asset. The Group chooses not to recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the rental expenses are recognised as “Operating expenses” in the income statement on a straight-line basis over each period of the lease term.

The Group uses the incremental borrowing rate as the discount rate to calculate the present value of lease payment. The economic circumstance and the observable interest rate set the foundation for each institution of the Group in determining the incremental borrowing rate. On this basis, the applicable incremental borrowing rate is calculated through the adjustment of the reference interest rate, which is determined according to the situation of the Bank and its subsidiaries and the underlying asset, the lease term, the amount of lease liability and other specific conditions of the lease.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 8 Leases (Continued)

### *8.1 As Lessee (Continued)*

*Right-of-use assets*

The right-of-use assets of the Group mainly include buildings, vehicles and other right-of-use assets.

At the commencement date of the lease, the Group recognises a right-of-use asset. The cost of the right-of-use asset comprises:

(1) the amount of the initial measurement of the lease liability;

(2) any lease payments made at or before the commencement date of the lease less any lease incentives received;

(3) any initial direct costs incurred when the Group is a lessee; and

(4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the asset from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The Group remeasures the lease liabilities at the present value of the changed lease payments and adjusts the carrying amounts of the right-of-use assets accordingly. When the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss.

*Lease liabilities*

At the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 8 Leases (Continued)

### *8.1 As Lessee (Continued)*

*Lease liabilities (Continued)*

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate of lessee as the discount rate. The Group calculates the interest expenses of lease liabilities in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss. Variable lease payments that are not included in the measurement of lease liabilities are recognised in profit or loss as incurred.

After the commencement date, the Group remeasures lease liabilities by discounting the revised lease payments if any of the following occur: (i) there is a change in the in-substance fixed payments; (ii) there is a change in the amounts expected to be payable under a residual value guarantee; (iii) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or (iv) there is a change in the assessments of options to purchase the underlying asset, extend or terminate the lease, or the circumstances of the actual exercise of these options.

*Lease modification*

Lease modification is a change in the scope of a lease, the consideration for a lease or lease term, that was not part of the original terms and conditions of the lease. For example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both:

(1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease term and the lease liability by discounting the revised lease payments using a revised discount rate.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 8 Leases (Continued)

#### *8.2 As Lessor*

At the inception date, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

When the Group is a lessor under finance leases, the Group recognises the finance lease receivable and derecognises the assets under finance leases at the commencement date. The Group recognise assets held under a finance lease in the consolidated statement of financial position and such assets at an amount equal to the net investment in the lease. Net investment in the lease is the present value of the sum of the unguaranteed residual value and the lease payments that are not received at the commencement date, which is discounted by the interest rate implicit in the lease. The Group calculates and recognises the interest income in each period during the lease term using the constant periodic rate of interest, and recognises such interest income in profit or loss. Income relating to variable lease payments that are not measured as part of the net investment in the lease are recognised in profit or loss as incurred.

When the Group is a lessor under operating leases, the Group reflects the underlying assets as the Group's assets. The rental income is recognised as "Other operating income" in the income statement on a straight-line basis over each period of the lease term. Income relating to variable lease payments that are not measured as part of the receivable in the lease are recognised in profit or loss as incurred.

### 9 Investment properties

Investment properties, principally consisting of office buildings, are held to generate rental income or earn capital gains or both and are not occupied by the Group. Investment properties are carried at fair value and changes in fair value are recorded in the income statement, representing the open market value and other related information determined periodically by independent appraisers.

### 10 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance owned and controlled by the Group, including computer software and other intangible assets.

Computer software and other intangible assets are stated at acquisition cost less accumulated amortisation and impairment. These costs are amortised on a straight-line basis over their estimated useful lives with the amortisation recognised in the income statement.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 10 Intangible assets (Continued)

Expenditure on research and development mainly includes staff cost, depreciation and amortisation of equipment and software during research and development activities. The expenditure on research and development project is classified into expenditure on the research phase and expenditure on the development phase. Research is defined as original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, etc., before the start of commercial production or use. Expenditure on research phase is recognised in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalised only if all of the following conditions are satisfied:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- Intention to complete the intangible asset and use or sell it;
- It can be demonstrated how the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- There are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred.

The value of intangible assets is reviewed for impairment at each financial reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The recoverable amount of an intangible asset is the higher of the asset’s fair value less costs to sell and value in use.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 11 Employee benefits

The Group recognises a liability and an expense for bonuses, taking into consideration its business performance and profit attributable to the Bank's equity holders. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

### 12 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount initially recognised as a provision should be the best estimate of the expenditure required to settle the present obligation.

### 13 Insurance contracts

#### *13.1 Identification of Insurance Contracts*

The insurance subsidiaries of the Group bear insurance risk through issuance of insurance contracts. The Group assesses whether each contract transfers significant insurance risk to determine whether it is within the scope of IFRS 17.

Insurance contracts subject to similar risks and managed together are grouped as a portfolio of insurance contracts. Each portfolio is further divided into groups of contracts mainly based on profitability, extent of loss or possibility of becoming onerous contract subsequent to initial recognition. Insurance contracts issued more than one year apart should not be included in the same group.

#### *13.2 Recognition and measurement of insurance contracts*

The Group considers a group of insurance contracts as the lowest unit of account. Insurance contracts are measured using General Measurement Model ("GMM"), Variable Fee Approach ("VFA") or Premium Allocation Approach ("PAA") as at the end of each reporting period.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 13 Insurance contracts (Continued)

#### *13.2 Recognition and measurement of insurance contracts (Continued)*

For GMM, the insurance contracts are measured with the following building block:

- present value of future cash flows that relate directly to the fulfilment of the contracts discounted at applicable current discount rates;

- risk adjustments for non-financial risks; and

- contractual service margin representing unearned profit of the contracts.

Contractual service margin is adjusted at the end of each reporting period for changes in fulfilment cash flows that relate to future service; and will be recognised in insurance revenue in subsequent periods to reflect the insurance services provided under "Other operating income". The Group shall recognise a loss at initial recognition of a group of onerous insurance contracts or when the group of contracts becomes onerous on subsequent measurement under "Operating expenses" in the income statement.

Insurance related revenue are presented in "Other operating income", whereas insurance service expenses and insurance finance income or expenses of certain portfolios of insurance contracts are presented in "Operating expenses". Directly attributable insurance acquisition cash flows are amortised in both "Other operating income" and "Operating expenses" during the lifetime of insurance contracts.

Discount rates used to measure the insurance contracts by the Group are consistent with observable current market prices to reflect the time value of money and financial risks related to those cash flows. For certain portfolios of insurance contracts, the Group chooses to disaggregate the insurance finance income or expenses for the period, arising from the effect of the time value of money and financial risks, into "Operating expenses" and "Other comprehensive income".

Apart from GMM, the Group applies VFA to insurance contracts with direct participation feature. Under VFA, changes in the Group's share in the underlying items are related to changes in future services to be provided, and related contractual service margin will be adjusted. In addition, the Group simplifies measurement of short-term insurance contracts within one year or other eligible insurance contracts using PAA.

### 14 Preference shares and perpetual bonds

Preference shares issued by the Group contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group. Preference shares issued are non-derivative instruments that will be settled in the Group's own equity instruments, but includes no contractual obligation for the Group to deliver a variable number of its own equity instruments. The Group classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs of preference shares issuance are deducted from equity. Dividends on preference shares are recognised as profit distribution at the time of declaration.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 14 Preference shares and perpetual bonds (Continued)

Perpetual bonds issued by the Group contain no contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group. Perpetual bonds issued include no terms and arrangements that the bonds must or will alternatively be settled in the Group's own equity instruments. The Group classifies perpetual bonds issued as an equity instrument. Fees, commissions and other transaction costs of perpetual bonds issuance are deducted from equity. Interest on perpetual bonds is recognised as profit distribution at the time of declaration.

### 15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

### 16 Fiduciary activities

The Group acts as a custodian, trustee or in other fiduciary capacities, that result in its holding or placing of assets on behalf of individuals, securities investment funds, social security funds, insurance companies, qualified foreign institutional investors, annuity schemes and other customers. These assets are not included in the statement of financial position of the Group, as they are not assets of the Group.

The Group also administers entrusted loans on behalf of third-party lenders. In this regard, the Group grants loans to borrowers, as an intermediary, at the direction of third-party lenders, who fund these loans. The Group has been contracted by these third-party lenders to manage the administration and collection of these loans on their behalf. The third-party lenders determine both the underwriting criteria for and all terms of the entrusted loans, including their purposes, amounts, interest rates, and repayment schedules. The Group charges a commission related to its activities in connection with the entrusted loans, but the risk of loss is borne by the third-party lenders. Entrusted loans are not recognised in the statement of financial position of the Group.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 17 Interest income and expense

"Interest income" and "Interest expense" in the Group's income statement are the interest income and expense calculated using the effective interest method on financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial liabilities at amortised cost.

Effective interest method is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense in profit or loss over the relevant period. Effective interest rate is that exactly discounts estimated future cash flows through the expected life of a financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the Group that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For those purchased or originated credit-impaired financial assets, the Group calculates the interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. Credit-adjusted effective interest rate is that exactly discounts the estimated future cash flows through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset.

For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Group calculates the interest income by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

### 18 Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. For those services that are provided over a period of time, fee and commission income is accrued in accordance with the terms and conditions of the service agreement. For other services, fee and commission income is recognised when the transactions are completed.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 19 Income taxes

Income taxes comprise current income tax and deferred income tax. Tax is recognised in the income statement except to the extent that it relates to items directly recognised in Equity, in which case, tax is also directly recognised in Equity.

#### *19.1 Current income tax*

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the financial reporting date, and any adjustment to tax payable in respect of previous years.

#### *19.2 Deferred income tax*

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the financial reporting date and are expected to apply when the related asset is realised, or the liability is settled.

The principal temporary differences arise from asset impairment allowances, revaluation of certain financial assets and financial liabilities including derivative contracts, revaluation of investment properties, depreciation and amortisation, provisions for pension, retirement benefits and salary payables.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised except the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/loss and does not give rise to equal taxable and deductible temporary differences.

For deductible temporary differences associated with investment in subsidiaries, associates and joint ventures, a deferred tax asset is recognised to the extent that, and only to the extent that, it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax liabilities shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit/loss and does not give rise to equal taxable and deductible temporary differences.

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 19 Income taxes (Continued)

#### *19.2 Deferred income tax (Continued)*

Deferred income tax liabilities on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures are recognised, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

The tax effects of income tax losses available for carrying forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes are related to the same fiscal authority.

### 20 Cash equivalents

Cash equivalents of the Group are short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. These assets have original maturity of less than three months.

### 21 Related parties

A party is considered to be related to the Group if:

(1) the party is a person or a close member of that person's family and that person:

- (a) has control or joint control over the Group;
- (b) has significant influence over the Group; or
- (c) is a member of the key management personnel of the Group or of a parent of the Group;

or

## II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 21 Related parties (Continued)

(2) the party is an entity where any of the following conditions applies:

(a) the entity and the Group are members of the same group;

(b) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(c) the entity and the Group are joint ventures of the same third party;

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) the entity is an employee retirement benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(f) the entity is controlled or jointly controlled by a person identified in (1);

(g) a person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 22 Segment reporting

The Group reviews the internal reporting in order to assess performance and allocate resources. Segment information is presented on the same basis as the Group's management and internal reporting.

### 23 Materiality

The concept of materiality is applied by management in the preparation of financial statements and disclosures. Financial information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The Group assesses whether the financial information is material depending on the nature and magnitude, or both, considering entity-specific situation. When considering the nature of the information, the Group considers whether the nature of such information is related to normal operating activity, whether it has significant impact on the Group's financial position, operating results and cash flows. When considering the magnitude of the information, the Group considers the proportion of such information of total assets, total liabilities, total equity, operating income, operating expenses, profit after tax, total comprehensive income and respective financial statement line items.

### 24 Comparative figures

Certain comparative figures have been adjusted to conform with changes in disclosures in current year.

## III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The accounting estimates and judgements made by the Group will generally affect the carrying amounts of assets and liabilities of the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group has taken into consideration the impact of the economic environment on the industries and territories in which the Group operates when determining critical accounting estimates and judgements in applying accounting policies.

Areas susceptible to changes in critical estimates and judgements, which affect the carrying value of assets and liabilities, are set out below. It is possible that actual results may be materially different from the estimates and judgements referred below.

### 1 Measurement of ECL

The measurement of the expected credit loss allowance for financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses).

A number of significant judgements and estimations are required in applying the accounting requirements for measuring ECL, such as:

- segmentation of portfolios sharing similar credit risk characteristics for the purposes of measuring ECL;
- selection of appropriate models and assumptions for the measurement of ECL;
- determination of criteria for determining significant increases in credit risk, default and credit-impaired financial assets;
- economic indicators for forward-looking measurement, and the application of economic scenarios and weightings for different types of products; and
- estimation of future cash flows for impaired loans and advances to customers where ECL is being assessed individually.

Refer to Note VI.2.3 measurement of ECL for the description of the parameters, assumptions and estimation techniques used in measuring the ECL.

## III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

### 2 Fair value of financial instruments

The Group establishes fair value of financial instruments with reference to a quoted market price in an active market or, if there is no active market, using valuation techniques. These valuation techniques include the use of recent arm's length transactions, observable prices for similar instruments, discounted cash flow analysis using risk-adjusted interest rates, and commonly used market pricing models. Whenever possible these models use observable market inputs and data including, for example, interest rate yield curves, foreign currency rates and option volatilities. The results of using valuation techniques are calibrated against the industry practice and observable current market transactions in the same or similar instruments.

The Group assesses assumptions and estimates used in valuation techniques including review of valuation model assumptions and characteristics, changes to model assumptions, the quality of market data, whether markets are active or inactive, other fair value adjustments not specifically captured by models and consistency of application of techniques between reporting periods as part of its normal review and approval processes. Valuation techniques are validated and periodically reviewed and, where appropriate, updated to reflect market conditions at the financial reporting date.

### 3 Provisions

The Group uses judgement to assess whether the Group has a present legal or constructive obligation as a result of past events at each financial reporting date, and judgement is used to determine if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and to determine a reliable estimate of the amount of the obligation and relevant disclosure in the consolidated financial statements.

## III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

### 4 Taxes

The Group is subject to income, value-added and other taxes in numerous jurisdictions, principally in Chinese mainland and Hong Kong (China). During the ordinary course of business, there are certain transactions and activities for which the final tax treatment is uncertain. The Group takes into account the existing tax legislations and past practice in determining the tax estimates.

Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax, deferred income tax, and value-added tax in the period during which such a determination is made.

### 5 Impairment of non-financial assets

Non-financial assets are periodically reviewed for impairment and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

When estimating the value in use of aircraft held by the subsidiary, the Group estimates expected future cash flows from the aircraft and uses a suitable discount rate to calculate present value. The Group obtains valuations of aircraft from independent appraisers for which the principal assumptions underlying aircraft value are based on current market transactions for similar aircraft in the same location and condition. The Group also uses the fair value of aircraft obtained from independent appraisers in its assessment of the recoverable amount of intangible assets and the goodwill arising from the purchase of the Group's aircraft leasing subsidiary.

## III CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

### 6 Judgement in assessing control over structured entities

The Group is involved with structured entities in its normal business course, and the Group determines whether or not to consolidate those structured entities depending on whether the Group has control over them. When assessing control over structured entities, the Group takes consideration of power arising from rights it directly owns or indirectly owns through subsidiaries (including controlled structured entities), variable returns, and the link between power and returns.

Variable returns the Group is exposed to from its involvement with structured entities include decision makers' remuneration (such as management fees and performance-related fees), as well as other benefits (such as investment income, remuneration and exposure to loss from providing credit or liquidity support, and variable returns from transactions with structured entities). When assessing whether it controls a structured entity, the Group not only considers applicable legal or regulatory requirements, and contractual agreements, but also other circumstances where the Group may have obligation to absorb any loss of the structured entity.

The Group reassesses whether it controls a structured entity if facts and circumstances indicate that there are changes to one or more of the relevant elements of control.

## IV TAXATION

The principal income and other taxes to which the Group is subject are listed below:

| Taxes | Tax basis | Statutory rates |
|---|---|---|
| **Chinese mainland** | | |
| Corporate income tax | Taxable income | 25% |
| Value-added tax | Taxable added value | 6% |
| City construction and maintenance tax | Turnover tax paid | 1%-7% |
| Education surcharges | Turnover tax paid | 3% |
| Local education surcharges | Turnover tax paid | 2% |
| **Hong Kong (China)** | | |
| Hong Kong (China) profits tax | Assessable profits | 16.5% |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS

### 1 Net interest income

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Interest income | | |
| Loans and advances to customers | 745,355 | 750,601 |
| — Corporate loans and advances | 490,175 | 465,947 |
| — Personal loans | 246,715 | 275,494 |
| — Discounted bills | 8,465 | 9,160 |
| Financial investments | 217,128 | 192,293 |
| — Financial assets at fair value through other comprehensive income | 112,004 | 86,272 |
| — Financial assets at amortised cost | 105,124 | 106,021 |
| Due from and placements with and loans to banks and other financial institutions and central banks | 109,056 | 105,957 |
| Subtotal | 1,071,539 | 1,048,851 |
| Interest expense | | |
| Due to customers | (457,486) | (450,851) |
| Due to and placements from banks and other financial institutions | (105,396) | (84,376) |
| Bonds issued and other | (59,723) | (47,079) |
| Subtotal | (622,605) | (582,306) |
| Net interest income | 448,934 | 466,545 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 2 Net fee and commission income

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Agency commissions | 20,661 | 21,134 |
| Settlement and clearing fees | 16,812 | 16,672 |
| Bank card fees | 13,124 | 13,585 |
| Credit commitment fees | 10,191 | 11,412 |
| Consultancy and advisory fees | 8,370 | 8,051 |
| Custodian and other fiduciary service fees | 6,397 | 8,581 |
| Spread income from foreign exchange business | 5,800 | 5,751 |
| Other | 7,232 | 7,183 |
| Fee and commission income | 88,587 | 92,369 |
| Fee and commission expense | (11,997) | (13,504) |
| Net fee and commission income | 76,590 | 78,865 |

### 3 Net trading gains

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Net gains from foreign exchange and foreign exchange products | 12,626 | 9,934 |
| Net gains from interest rate products | 12,659 | 17,647 |
| Net gains/(losses) from fund investments and equity products | 7,123 | (835) |
| Net gains from commodity products | 4,083 | 1,977 |
| Total (1) | 36,491 | 28,723 |

(1) Included in "Net trading gains" above for the year ended 31 December 2024 are losses of RMB3,815 million in relation to financial assets and financial liabilities designated as at fair value through profit or loss (2023: gains of RMB1,444 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 4 Net gains on transfers of financial asset

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Net gains/(losses) on derecognition of financial assets at fair value through other comprehensive income | 8,771 | (973) |
| Net gains on derecognition of financial assets at amortised cost [(1)] | 2,628 | 1,779 |
| Total | 11,399 | 806 |

(1) All the net gains on the derecognition of financial assets at amortised cost were result from disposals during the year ended 31 December 2024 and 2023.

### 5 Other operating income

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Revenue from sales of precious metal products | 20,115 | 14,311 |
| Aircraft leasing income | 13,168 | 13,432 |
| Insurance revenue | 13,675 | 10,309 |
| Dividend income | 4,817 | 4,563 |
| Gains on disposals of property and equipment, intangible assets and other assets | 2,737 | 1,671 |
| Changes in fair value of investment properties (Note V.22) | (950) | (632) |
| Other [(1)] | 5,795 | 5,545 |
| Total | 59,357 | 49,199 |

(1) For the year ended 31 December 2024, government subsidy income from operating activities, as part of other operating income, was RMB445 million (2023: RMB359 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 6 Operating expenses

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Staff costs (Note V.7) | 113,424 | 107,872 |
| General operating and administrative expenses (1) (2) | 44,237 | 44,778 |
| Depreciation and amortisation | 23,601 | 24,853 |
| Cost of sales of precious metal products | 19,739 | 13,939 |
| Insurance service expenses | 11,015 | 9,020 |
| Insurance finance expenses | 7,078 | 6,994 |
| Taxes and surcharges | 6,210 | 6,098 |
| Other | 10,466 | 9,379 |
| Total (3) (4) | 235,770 | 222,933 |

(1) Included in the "General operating and administrative expenses" was external auditors' remuneration of RMB189 million for the year ended 31 December 2024 (2023: RMB193 million), of which RMB86 million is for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions of the Group (2023: RMB85 million).

(2) Included in the "General operating and administrative expenses" were lease expenses related to short-term leases, leases of low-value assets and others of RMB1,192 million for the year ended 31 December 2024 (2023: RMB1, 239 million).

(3) Included in the "Operating expenses" were premises and equipment-related expenses (mainly comprised of property management and building maintenance expenses and taxes) of RMB13,733 million for the year ended 31 December 2024 (2023: RMB13,564 million).

(4) Included in the "Operating expenses" was expenditure related to research and development activities of RMB317 million for the year ended 31 December 2024 (2023: RMB469 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 7 Staff costs

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Salary, bonus and subsidy | 77,546 | 75,143 |
| Staff welfare | 5,541 | 4,821 |
| Retirement benefits | 55 | 38 |
| Social insurance | | |
| — Medical | 5,679 | 4,388 |
| — Pension | 7,577 | 6,914 |
| — Annuity | 4,317 | 4,114 |
| — Unemployment | 284 | 245 |
| — Injury at work | 113 | 98 |
| — Maternity insurance | 123 | 119 |
| Housing funds | 5,729 | 5,451 |
| Labour union fee and staff education fee | 1,254 | 1,911 |
| Reimbursement for cancellation of labour contract | 123 | 20 |
| Other | 5,083 | 4,610 |
| Total | 113,424 | 107,872 |

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 8 Directors' and supervisors' emoluments

***Directors' and supervisors' emoluments of the Group***

**For the year ended 31 December 2024**

| | Fees | Remuneration paid | Contributions to pension schemes | Benefits in kind | Total |
|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| ***Executive directors*** | | | | | |
| GE Haijiao(2)(4) | – | 673 | 139 | 98 | 910 |
| ZHANG Hui(2)(4)(5) | – | 56 | 12 | 8 | 76 |
| LIU Jin*(2)(4)(6) | – | 448 | 92 | 65 | 605 |
| LIN Jingzhen(2)(4)(6) | – | 605 | 131 | 98 | 834 |
| ZHANG Yi(2)(4)(6) | – | 202 | 43 | 32 | 277 |
| ***Non-executive directors*** | | | | | |
| ZHANG Yong(1) | – | – | – | – | – |
| ZHANG Jiangang(1) | – | – | – | – | – |
| HUANG Binghua(1) | – | – | – | – | – |
| LIU Hui(1) | – | – | – | – | – |
| SHI Yongyan(1) | – | – | – | – | – |
| LOU Xiaohui(1)(5) | – | – | – | – | – |
| ***Independent directors*** | | | | | |
| Martin Cheung Kong LIAO | 450 | – | – | – | 450 |
| CHUI Sai Peng Jose | 500 | – | – | – | 500 |
| Jean-Louis EKRA | 450 | – | – | – | 450 |
| Giovanni TRIA | 400 | – | – | – | 400 |
| LIU Xiaolei(5) | 458 | – | – | – | 458 |
| JIANG Guohua(6) | – | – | – | – | – |
| E Weinan(6) | 179 | – | – | – | 179 |
| ***Supervisors*** | | | | | |
| WEI Hanguang(3) | 50 | – | – | – | 50 |
| JIA Xiangsen | 292 | – | – | – | 292 |
| HUI Ping | 260 | – | – | – | 260 |
| CHU Yiyun | 260 | – | – | – | 260 |
| ZHANG Keqiu(4)(6) | – | 112 | 23 | 16 | 151 |
| ZHOU Hehua(3)(6) | 42 | – | – | – | 42 |
| | 3,341 | 2,096 | 440 | 317 | 6,194 |

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 8 Directors' and supervisors' emoluments (Continued)

***Directors' and supervisors' emoluments of the Group (Continued)***

**For the year ended 31 December 2023**

| | Fees | Remuneration paid | Contributions to pension schemes | Benefits in kind | Total |
|---|---|---|---|---|---|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| ***Executive directors*** | | | | | |
| GE Haijiao(2)(4) | – | 681 | 101 | 71 | 853 |
| LIU Jin*(2)(4)(6) | – | 908 | 134 | 93 | 1,135 |
| WANG Wei(2)(4) | – | 204 | 31 | 23 | 258 |
| LIN Jingzhen(2)(4)(6) | – | 812 | 127 | 93 | 1,032 |
| ***Non-executive directors*** | | | | | |
| ZHANG Yong(1) | – | – | – | – | – |
| ZHANG Jiangang(1) | – | – | – | – | – |
| HUANG Binghua(1) | – | – | – | – | – |
| LIU Hui(1) | – | – | – | – | – |
| SHI Yongyan(1) | – | – | – | – | – |
| XIAO Lihong(1) | – | – | – | – | – |
| WANG Xiaoya(1) | – | – | – | – | – |
| CHEN Jianbo(1) | – | – | – | – | – |
| ***Independent directors*** | | | | | |
| Martin Cheung Kong LIAO | 450 | – | – | – | 450 |
| CHUI Sai Peng Jose | 500 | – | – | – | 500 |
| Jean-Louis EKRA | 450 | – | – | – | 450 |
| Giovanni TRIA | 400 | – | – | – | 400 |
| JIANG Guohua(6) | 489 | – | – | – | 489 |
| E Weinan(6) | 350 | – | – | – | 350 |
| ***Supervisors*** | | | | | |
| WEI Hanguang(3) | 50 | – | – | – | 50 |
| JIA Xiangsen | 260 | – | – | – | 260 |
| HUI Ping | 260 | – | – | – | 260 |
| CHU Yiyun | 260 | – | – | – | 260 |
| ZHANG Keqiu(4)(6) | – | 908 | 134 | 93 | 1,135 |
| ZHOU Hehua(3)(6) | 50 | – | – | – | 50 |
| LENG Jie(3) | 4 | – | – | – | 4 |
| | 3,523 | 3,513 | 527 | 373 | 7,936 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 8 Directors' and supervisors' emoluments (Continued)

***Directors' and supervisors' emoluments of the Group (Continued)***

(1) For the years ended 31 December 2024 and 2023, these non-executive directors of the Bank were not remunerated by the Bank.

(2) For the years ended 31 December 2024 and 2023, these executive directors of the Bank did not receive any fees.

(3) Employee supervisors' compensation presented above is paid for serving as the supervisors of the Bank.

(4) A portion of the discretionary bonus payments for executive directors and the Chairman of the Board of Supervisors are deferred for a minimum of 3 years, which is contingent upon the future performance in accordance with relevant regulations of the PRC authorities.

The total compensation packages for executive directors and certain supervisors for the year ended 31 December 2024 including discretionary bonus have not yet been finalised in accordance with the relevant regulations of the PRC authorities. The amount of the compensation not provided for is not expected to have any significant impact on the Group's 2024 financial statements. The final compensation for the year ended 31 December 2024 will be disclosed in a separate announcement when determined.

The compensation amounts for these directors and supervisors for the year ended 31 December 2023 were restated based on the finalised amounts as disclosed in the Bank's announcement on resolutions of the Board of Directors dated 30 October 2024.

(5) ZHANG Hui began to serve as President of the Bank as of 23 December 2024 and began to serve as Vice Chairman of the Board of Directors and Executive director of the Bank as of 8 January 2025. LOU Xiaohui began to serve as Non-executive director of the Bank as of 1 April 2024. LIU Xiaolei began to serve as Independent director of the Bank as of 26 March 2024. LI Zimin began to serve as Non-executive director of the Bank as of 11 March 2025 and does not receive remuneration from the Bank.

(6) LIU Jin* ceased to serve as Vice Chairman of the Board of Directors and Executive director of the Bank as of 25 August 2024. LIN Jingzhen ceased to serve as Executive director of the Bank as of 7 January 2025. ZHANG Yi ceased to serve as Executive director of the Bank as of 16 May 2024. JIANG Guohua submitted a resignation application to the Board of Directors of the Bank and no longer received independent director remuneration as of 25 October 2023. JIANG Guohua ceased to serve as Independent director of the Bank as of 26 February 2024. E Weinan ceased to serve as Independent director of the Bank as of 5 July 2024. ZHANG Keqiu ceased to serve as Chairwoman of the Board of Supervisors and Shareholder Supervisor as of 5 February 2024. ZHOU Hehua ceased to serve as Employee Supervisor as of 28 October 2024.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 8 Directors' and supervisors' emoluments (Continued)

***Five highest paid individuals***

Of the five individuals with the highest emoluments, none of them are directors or supervisors of the Group whose emoluments are disclosed above. The relevant personnel are all employed by the overseas subsidiaries of the Group. Their emoluments were determined based on the market levels of the respective industries and the countries (regions) where they are located.

The emoluments payable to the five individuals whose emoluments were the highest in the Group for the years ended 31 December 2024 and 2023 are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Basic salaries and allowances | 16 | 22 |
| Discretionary bonuses | 46 | 39 |
| Contributions to pension schemes and other | 3 | 1 |
| | 65 | 62 |

Emoluments of the individuals were within the following bands:

| | Year ended 31 December | |
|---|---|---|
| **Amounts in RMB** | **2024** | **2023** |
| 6,000,001-8,000,000 | – | – |
| 8,000,001-10,000,000 | 1 | 2 |
| 10,000,001-12,000,000 | 2 | 2 |
| 12,000,001-14,000,000 | – | – |
| 14,000,001-16,000,000 | – | – |
| 16,000,001-18,000,000 | 2 | – |
| 18,000,001-20,000,000 | – | – |
| 20,000,001-22,000,000 | – | – |
| 22,000,001-24,000,000 | – | 1 |

The above five highest paid individuals' emoluments are based on best estimates of discretionary bonuses. Discretionary bonuses include portions of payments that are deferred to future periods.

During the years ended 31 December 2024 and 2023, the Group has not paid any emoluments to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 9 Credit impairment losses

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Loans and advances | | |
| — Loans and advances at amortised cost | 120,825 | 106,213 |
| — Loans and advances at fair value through other comprehensive income | 36 | (99) |
| Subtotal | 120,861 | 106,114 |
| Financial investments | | |
| — Financial assets at amortised cost | (1,131) | 934 |
| — Financial assets at fair value through other comprehensive income | (2,012) | 2,092 |
| Subtotal | (3,143) | 3,026 |
| Credit commitments | (13,539) | (799) |
| Other | (1,716) | (1,847) |
| Total | 102,463 | 106,494 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 10 Income tax expense

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Current income tax | | |
| — Chinese mainland income tax | 30,373 | 48,570 |
| — Hong Kong (China) profits tax | 6,727 | 5,204 |
| — Macao (China), Taiwan (China) and other countries and regions taxation | 5,986 | 6,062 |
| Subtotal | 43,086 | 59,836 |
| Deferred income tax (Note V.36.3) | (851) | (10,599) |
| Total | 42,235 | 49,237 |

The principal tax rates applicable to the Group are set out in Note IV.

Provision for Chinese mainland income tax includes income tax based on the statutory tax rate of 25% of the taxable income of the Bank and each of its subsidiaries established in the Chinese mainland, and supplementary PRC tax on overseas operations as determined in accordance with the relevant PRC income tax rules and regulations.

Taxation on profits of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions has been calculated on the estimated assessable profits in accordance with local tax regulations at the rates of taxation prevailing in the countries or regions in which the Group operates.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 10 Income tax expense (Continued)

The tax rate on the Group's profit before income tax differs from the theoretical amount that would arise using the basic Chinese mainland tax rate of the Bank as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Profit before income tax | 294,954 | 295,608 |
| Tax calculated at the basic Chinese mainland tax rate | 73,739 | 73,902 |
| Effect of different tax rates for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | (5,100) | (5,137) |
| Supplementary PRC tax on overseas income | 2,846 | 3,089 |
| Income not subject to tax [1] | (35,737) | (35,178) |
| Items not deductible for tax purposes [2] | 6,811 | 13,262 |
| Other | (324) | (701) |
| Income tax expense | 42,235 | 49,237 |

(1) Income not subject to tax mainly comprises interest income from PRC treasury bonds and Chinese local government bonds, and tax-free income recognised by the overseas entities in accordance with the relevant local tax law.

(2) Non-deductible items primarily include non-deductible losses resulting from write-offs and impairment losses.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 10 Income tax expense (Continued)

***OECD Pillar Two model rules***

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules* ("Pillar Two").

The Group is within the scope of the Pillar Two rules. As at 31 December 2024, Chinese mainland has not legislated Pillar Two. Some of the countries where the Group operates have officially enacted Pillar Two legislation, which have come into effect from 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 *Income Taxes* issued in May 2023. As at 31 December 2024, the implementation of Pillar Two has no significant impact on the Group's condensed consolidated financial statements.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 11 Earnings per share

Basic earnings per share was computed by dividing the profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share was computed by dividing the adjusted profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all potentially dilutive shares for the period by the adjusted weighted average number of ordinary shares in issue. There was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding for the years ended 31 December 2024 and 2023.

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Profit attributable to equity holders of the Bank | 237,841 | 231,904 |
| Less: dividends/interest on preference shares/perpetual bonds declared | (16,300) | (15,296) |
| Profit attributable to ordinary shareholders of the Bank | 221,541 | 216,608 |
| Weighted average number of ordinary shares in issue (in million shares) | 294,388 | 294,388 |
| Basic and diluted earnings per share (in RMB) | 0.75 | 0.74 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 12 Other comprehensive income

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Items that will not be reclassified to profit or loss** | | |
| Actuarial (losses)/gains on defined benefit plans | (11) | 31 |
| Changes in fair value on equity instruments designated at fair value through other comprehensive income | 6,797 | 5,536 |
| Less: related income tax impact | (1,621) | (1,188) |
| Other | 48 | (2) |
| Subtotal | 5,213 | 4,377 |
| **Items that may be reclassified to profit or loss** | | |
| Changes in fair value on debt instruments measured at fair value through other comprehensive income | 85,629 | 25,128 |
| Less: related income tax impact | (20,148) | (5,643) |
| Amount transferred to the income statement | (8,771) | 973 |
| Less: related income tax impact | 2,003 | (215) |
| | 58,713 | 20,243 |
| Allowance for credit losses on debt instruments measured at fair value through other comprehensive income | (1,999) | 2,005 |
| Less: related income tax impact | 498 | (504) |
| | (1,501) | 1,501 |
| Finance expenses from insurance contracts issued | (10,834) | (4,630) |
| Less: related income tax impact | 3,587 | 534 |
| | (7,247) | (4,096) |
| Exchange differences from the translation of foreign operations | 5,610 | 7,007 |
| Other | 505 | (39) |
| Subtotal | 56,080 | 24,616 |
| Total | 61,293 | 28,993 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 12 Other comprehensive income (Continued)

Other comprehensive income attributable to equity holders of the Bank in the consolidated statement of financial position:

| | Gains on financial assets at fair value through other comprehensive income | Exchange differences from the translation of foreign operations | Other | Total |
|---|---|---|---|---|
| As at 1 January 2023 | 7,090 | (7,703) | 6,118 | 5,505 |
| Changes for the year | 24,225 | 7,206 | (2,217) | 29,214 |
| As at 31 December 2023 and 1 January 2024 | 31,315 | (497) | 3,901 | 34,719 |
| Changes for the year | 60,993 | 3,315 | (3,759) | 60,549 |
| As at 31 December 2024 | 92,308 | 2,818 | 142 | 95,268 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 13 Cash and due from banks and other financial institutions

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Cash | 69,157 | 67,571 |
| Due from banks in Chinese mainland | 287,480 | 387,672 |
| Due from other financial institutions in Chinese mainland | 29,649 | 18,847 |
| Due from banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 188,842 | 93,134 |
| Due from other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 6,977 | 1,110 |
| Subtotal(1) | 512,948 | 500,763 |
| Accrued interest | 1,471 | 1,822 |
| Less: allowance for impairment losses(1) | (1,128) | (1,301) |
| Subtotal due from banks and other financial institutions | 513,291 | 501,284 |
| Total | 582,448 | 568,855 |

(1) As at 31 December 2024 and 2023, the Group included the predominant majority of due from banks and other financial institutions under Stage 1, and measured the impairment losses based on expected credit losses in the next 12 months.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 14 Balances with central banks

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Mandatory reserves (1) | 1,546,954 | 1,668,454 |
| Surplus reserves and others (2) | 921,236 | 1,274,398 |
| Subtotal | 2,468,190 | 2,942,852 |
| Accrued interest | 1,288 | 1,346 |
| Less: allowance for impairment losses | (1,621) | (3,058) |
| Total | 2,467,857 | 2,941,140 |

(1) The Group places mandatory reserve funds with the People's Bank of China (the "PBOC") and the central banks of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions where it has operations. As at 31 December 2024, mandatory reserve funds placed with the PBOC were calculated at 8.0% (31 December 2023: 9.0%) and 4.0% (31 December 2023: 4.0%) of qualified RMB deposits and foreign currency deposits from customers in Chinese mainland of the Bank, respectively. Mandatory reserve funds placed with the central bank of domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve funds placed with the central banks of other jurisdictions are determined by local regulations.

(2) These represent funds for clearing purposes and balances other than mandatory reserves placed with the PBOC, the central banks of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 15 Placements with and loans to banks and other financial institutions

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Placements with and loans to: | | |
| Banks in Chinese mainland | 297,508 | 229,088 |
| Other financial institutions in Chinese mainland | 704,066 | 719,913 |
| Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 393,891 | 244,024 |
| Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 42,335 | 35,950 |
| Subtotal (1) (2) (3) (4) | 1,437,800 | 1,228,975 |
| Accrued interest | 5,491 | 6,359 |
| Less: allowance for impairment losses (4) | (1,219) | (1,446) |
| Total | 1,442,072 | 1,233,888 |

(1) As at 31 December 2024, the carrying amount of "Placements with and loans to banks and other financial institutions" measured at fair value through profit or loss of the Group was RMB17,654 million (31 December 2023: Nil).

(2) The Group designates certain placements with and loans to banks and other financial institutions as financial assets measured at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 31 December 2024, the carrying amount of the above-mentioned financial assets of the Group was RMB6,864 million (31 December 2023: RMB18,126 million).

(3) "Placements with and loans to banks and other financial institutions" include balances arising from reverse repo agreements and collateralised financing agreements. They are presented by collateral type as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Debt securities | | |
| — Governments | 286,941 | 152,597 |
| — Policy banks | 212,778 | 209,004 |
| — Financial institutions | 29,381 | 21,865 |
| — Corporates | 265 | 310 |
| Subtotal | 529,365 | 383,776 |
| Less: allowance for impairment losses | (306) | (299) |
| Total | 529,059 | 383,477 |

(4) As at 31 December 2024 and 2023, the Group included the predominant majority of its placements with and loans to banks and other financial institutions under Stage 1, and measured the impairment losses based on expected credit losses in the next 12 months.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting

The Group enters into foreign currency exchange rate, interest rate, equity, credit or precious metals and other commodity-related derivative financial instruments for trading, hedging, asset and liability management and customer initiated transactions.

The contractual/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with the fair values of instruments recognised in the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign currency exchange rates, credit spreads, or equity/commodity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

### *16.1 Derivative financial instruments*

| | As at 31 December 2024 | | | As at 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | Contractual/ Notional amount | Fair value | | Contractual/ Notional amount | Fair value | |
| | | Assets | Liabilities | | Assets | Liabilities |
| Exchange rate derivatives | | | | | | |
| Currency forwards and swaps, and cross-currency interest rate swaps | 10,092,498 | 121,497 | (90,258) | 8,730,966 | 92,586 | (85,583) |
| Currency options | 1,083,910 | 6,130 | (7,524) | 735,082 | 5,735 | (5,646) |
| Currency futures | 3,168 | 24 | (15) | 2,568 | 6 | (11) |
| Subtotal | 11,179,576 | 127,651 | (97,797) | 9,468,616 | 98,327 | (91,240) |
| Interest rate derivatives | | | | | | |
| Interest rate swaps | 6,486,975 | 49,398 | (45,908) | 5,605,842 | 41,836 | (36,028) |
| Interest rate options | 9,873 | 115 | (114) | 15,749 | 216 | (216) |
| Interest rate futures | 65,981 | 25 | (195) | 22,196 | 9 | (21) |
| Subtotal | 6,562,829 | 49,538 | (46,217) | 5,643,787 | 42,061 | (36,265) |
| Equity derivatives | 8,394 | 22 | (83) | 5,566 | 118 | (76) |
| Commodity derivatives and other | 386,629 | 5,966 | (9,359) | 525,425 | 6,244 | (8,392) |
| Total [(1)] | 18,137,428 | 183,177 | (153,456) | 15,643,394 | 146,750 | (135,973) |

(1) Derivative financial instruments include those designated as hedging instruments by the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 16 Derivative financial instruments and hedge accounting (Continued)

### *16.2 Hedge accounting*

*(1) Fair value hedges*

The Group uses cross-currency interest rate swaps and interest rate swaps to hedge against changes in fair value of "Loans and advances to customers, net", "Financial investments" and "Bonds issued" arising from changes in foreign currency exchange rates and interest rates. Foreign currency exchange rate risk and interest rate risk are usually the primary risks which affect the change in fair value.

(i) The following table contains details of the derivative hedging instruments used in the Group's fair value hedging strategies:

| | Derivatives designated as hedging instruments in fair value hedges | | | |
|---|---|---|---|---|
| | Contractual/ Notional amount | Fair value | | Line item in the statement of financial position |
| | | Assets | Liabilities | |
| **As at 31 December 2024** | | | | |
| **Interest rate risk** | | | | |
| Interest rate swaps | 79,730 | 3,403 | (69) | Derivative financial assets/ liabilities |
| **Foreign exchange and interest rate risk** | | | | |
| Cross-currency interest rate swaps | 3,403 | – | (22) | Derivative financial liabilities |
| Total | 83,133 | 3,403 | (91) | |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(1) Fair value hedges (Continued)*

(i) The following table contains details of the derivative hedging instruments used in the Group's fair value hedging strategies (Continued):

| | Derivatives designated as hedging instruments in fair value hedges | | | |
|---|---|---|---|---|
| | Contractual/ Notional amount | Fair value | | Line item in the statement of financial position |
| | | Assets | Liabilities | |
| **As at 31 December 2023** | | | | |
| **Interest rate risk** | | | | |
| Interest rate swaps | 99,520 | 4,558 | (210) | Derivative financial assets/ liabilities |
| **Foreign exchange and interest rate risk** | | | | |
| Cross-currency interest rate swaps | 4,012 | 12 | (64) | Derivative financial assets/ liabilities |
| Total | 103,532 | 4,570 | (274) | |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 16 Derivative financial instruments and hedge accounting (Continued)

### *16.2 Hedge accounting (Continued)*

*(1) Fair value hedges (Continued)*

(i) The following table contains details of the derivative hedging instruments used in the Group's fair value hedging strategies (Continued):

The following table sets out the maturity and average exchange rate/interest rate information of the hedging instruments mentioned above:

| | Fair value hedges | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **As at 31 December 2024** | | | | | | |
| **Interest rate risk** | | | | | | |
| Interest rate swaps | | | | | | |
| Notional amount | 324 | 4,986 | 18,616 | 37,523 | 18,281 | 79,730 |
| Average fixed interest rate | 7.02% | 3.05% | 3.09% | 3.32% | 2.95% | N/A |
| **Foreign exchange and interest rate risk** | | | | | | |
| Cross-currency interest rate swaps | | | | | | |
| Notional amount | – | – | 2,404 | 999 | – | 3,403 |
| Average fixed interest rate | – | – | 2.95% | 4.86% | – | N/A |
| Average exchange rate of AUD/CNY | – | – | 4.6875 | – | – | N/A |
| Average exchange rate of AUD/USD | – | – | – | 0.6766 | – | N/A |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 16 Derivative financial instruments and hedge accounting (Continued)

### *16.2 Hedge accounting (Continued)*

*(1) Fair value hedges (Continued)*

(i) The following table contains details of the derivative hedging instruments used in the Group's fair value hedging strategies (Continued):

| | Fair value hedges | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **As at 31 December 2023** | | | | | | |
| **Interest rate risk** | | | | | | |
| Interest rate swaps | | | | | | |
| Notional amount | 1,258 | 4,270 | 16,953 | 56,497 | 20,542 | 99,520 |
| Average fixed interest rate | 3.40% | 3.48% | 2.91% | 3.22% | 3.02% | N/A |
| **Foreign exchange and interest rate risk** | | | | | | |
| Cross-currency interest rate swaps | | | | | | |
| Notional amount | – | 351 | – | 3,661 | – | 4,012 |
| Average fixed interest rate | – | 5.50% | – | 3.91% | – | N/A |
| Average exchange rate of USD/CNY | – | 6.0350 | – | – | – | N/A |
| Average exchange rate of AUD/CNY | – | – | – | 4.6875 | – | N/A |
| Average exchange rate of AUD/USD | – | – | – | 0.6766 | – | N/A |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(1) Fair value hedges (Continued)*

(ii) The following table sets out the details of the hedged items covered by the Group's fair value hedging strategies:

| | Fair value hedges | | | | |
|---|---|---|---|---|---|
| | Carrying amount of hedged items | | Accumulated amount of fair value adjustments on the hedged items | | Line item in the statement of financial position |
| | Assets | Liabilities | Assets | Liabilities | |
| **As at 31 December 2024** | | | | | |
| **Interest rate risk** | | | | | |
| Loans and advances to customers, net | 2,208 | – | 34 | – | Loans and advances to customers, net |
| Financial investments | 69,417 | – | (3,339) | – | Financial investments |
| Bonds issued | – | (5,297) | – | (1) | Bonds issued |
| **Foreign exchange and interest rate risk** | | | | | |
| Bonds issued | – | (3,558) | – | (15) | Bonds issued |
| Total | 71,625 | (8,855) | (3,305) | (16) | |
| **As at 31 December 2023** | | | | | |
| **Interest rate risk** | | | | | |
| Financial investments | 85,682 | – | (4,774) | – | Financial investments |
| Bonds issued | – | (9,228) | – | 22 | Bonds issued |
| **Foreign exchange and interest rate risk** | | | | | |
| Bonds issued | – | (3,860) | – | 51 | Bonds issued |
| Total | 85,682 | (13,088) | (4,774) | 73 | |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(1) Fair value hedges (Continued)*

(iii) The Group's net gains/(losses) on fair value hedges are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Net gains/(losses) on | | |
| — hedging instruments | (615) | (1,762) |
| — hedged items | 609 | 1,836 |
| Ineffectiveness recognised in net trading gains | (6) | 74 |

*(2) Net investment hedges*

The Group hedges exchange risk exposures of its net investments in foreign operations only in limited circumstances. Hedging is undertaken using due to customers, due to central banks and foreign exchange forward and swap contracts in the same or exchange-rate pegged currencies as the functional currencies of the related branches and subsidiaries which are accounted for as hedges of certain net investments in foreign operations. Under the hedging relationships of designating due to customers, due to central banks and foreign exchange forward and swap contracts as hedging instruments, the Group separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract. There was no ineffectiveness for the year ended 31 December 2024 (2023: Nil).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(2) Net investment hedges (Continued)*

(i) Details of due to customers and due to central banks used in the Group's net investment hedging strategies:

As at 31 December 2024, the carrying value of such due to customers amounted to RMB10,267 million (31 December 2023: the carrying value of such due to customers and due to central banks amounted to RMB67,358 million and RMB380 million).

(ii) The following table contains details of the derivative hedging instruments used in the Group's net investment hedging strategies:

| | Derivatives designated as net investment hedging instruments | | | |
|---|---|---|---|---|
| | Contractual/ Notional amount | Fair value | | Line item in the statement of financial position |
| | | Assets | Liabilities | |
| **As at 31 December 2024** | | | | |
| Foreign exchange forward and swap contracts | 9,826 | 430 | (8) | Derivative financial assets/liabilities |
| Total | 9,826 | 430 | (8) | |
| **As at 31 December 2023** | | | | |
| Foreign exchange forward and swap contracts | 8,297 | 36 | (195) | Derivative financial assets/liabilities |
| Total | 8,297 | 36 | (195) | |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(2) Net investment hedges (Continued)*

(ii) The following table contains details of the derivative hedging instruments used in the Group's net investment hedging strategies (Continued):

The following table sets out the maturity and average exchange rate of the hedging instruments mentioned above:

| | Net investment hedges | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **As at 31 December 2024** | | | | | | |
| **Foreign exchange risk** | | | | | | |
| Foreign exchange forward and swap contracts | | | | | | |
| Notional amount | – | – | 9,826 | – | – | 9,826 |
| Average exchange rate of USD/BRL | – | – | 5.6350 | – | – | N/A |
| Average exchange rate of USD/ZAR | – | – | 18.3383 | – | – | N/A |
| Average exchange rate of USD/INR | – | – | 85.2050 | – | – | N/A |
| Average exchange rate of USD/MXN | – | – | 20.9745 | – | – | N/A |
| Average exchange rate of USD/PEN | – | – | 3.8375 | – | – | N/A |
| Average exchange rate of USD/HUF | – | – | 366.8803 | – | – | N/A |
| Average exchange rate of USD/TWD | – | – | 31.4938 | – | – | N/A |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(2) Net investment hedges (Continued)*

(ii) The following table contains details of the derivative hedging instruments used in the Group's net investment hedging strategies (Continued):

| | Net investment hedges | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **As at 31 December 2023** | | | | | | |
| **Foreign exchange risk** | | | | | | |
| Foreign exchange forward and swap contracts | | | | | | |
| Notional amount | – | – | 8,297 | – | – | 8,297 |
| Average exchange rate of USD/BRL | – | – | 5.3209 | – | – | N/A |
| Average exchange rate of USD/ZAR | – | – | 19.6375 | – | – | N/A |
| Average exchange rate of USD/INR | – | – | 83.4650 | – | – | N/A |
| Average exchange rate of USD/MXN | – | – | 18.6362 | – | – | N/A |
| Average exchange rate of USD/CLP | 863.7344 | – | 905.5018 | – | – | N/A |
| Average exchange rate of USD/PEN | – | – | 3.7470 | – | – | N/A |
| Average exchange rate of USD/HUF | – | – | 365.8648 | – | – | N/A |
| Average exchange rate of USD/TWD | – | – | 29.5737 | – | – | N/A |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 16 Derivative financial instruments and hedge accounting (Continued)

#### *16.2 Hedge accounting (Continued)*

*(2) Net investment hedges (Continued)*

(iii) The Group's fair value changes from the hedging instruments recognised in "Other comprehensive income" on net investment hedges are as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Amounts of fair value changes on hedging instruments recognised in "Other comprehensive income" | 2,881 | 2,383 |
| Amounts of forward element reclassified from "Other comprehensive income" to profit or loss | 499 | 69 |
| Net amounts of fair value changes on hedging instruments recognised in "Other comprehensive income" | 3,380 | 2,452 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 17 Loans and advances to customers

### *17.1 Analysis of loans and advances to customers by measurement category*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Measured at amortised cost | | |
| — Corporate loans and advances | 13,803,377 | 12,577,901 |
| — Personal loans | 6,825,036 | 6,609,965 |
| — Discounted bills | 10,726 | 1,345 |
| Measured at fair value through other comprehensive income (1) | | |
| — Corporate loans and advances | 2,003 | 4,089 |
| — Discounted bills | 898,819 | 711,012 |
| Subtotal | 21,539,961 | 19,904,312 |
| Measured at fair value through profit or loss (2) | | |
| — Corporate loans and advances | 3,535 | 3,675 |
| — Discounted bills | 89 | – |
| Total | 21,543,585 | 19,907,987 |
| Accrued interest | 50,483 | 53,792 |
| Total loans and advances | 21,594,068 | 19,961,779 |
| Less: allowance for loans at amortised cost | (538,786) | (484,908) |
| Loans and advances to customers, net | 21,055,282 | 19,476,871 |

(1) As at 31 December 2024, the allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income of the Group amounted to RMB391 million (31 December 2023: RMB390 million) and was credited to other comprehensive income.

(2) During the years ended 31 December 2024 and 2023, there were no significant movements in the fair value and accumulated fair value changes of corporate loans and advances measured at fair value through profit or loss that are attributable to changes in credit risk of these loans.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 17 Loans and advances to customers (Continued)

***17.2*** Analysis of loans and advances to customers (accrued interest excluded) by geographical area, customer type, industry, collateral type and analysis of impaired and overdue loans and advances to customers are presented in Note VI.2.5.

### *17.3 Reconciliation of allowance for impairment losses on loans and advances to customers*

*(1) Allowance for loans at amortised cost*

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 224,063 | 80,983 | 179,862 | 484,908 |
| Transfers to Stage 1 | 10,761 | (8,211) | (2,550) | – |
| Transfers to Stage 2 | (3,402) | 12,780 | (9,378) | – |
| Transfers to Stage 3 | (1,977) | (14,613) | 16,590 | – |
| Impairment (reversal)/losses of loans with stage transfers | (10,101) | 30,585 | 74,808 | 95,292 |
| Charge for the year [(i)] | 127,969 | 30,441 | 18,316 | 176,726 |
| Reversal for the year [(ii)] | (104,012) | (22,769) | (24,412) | (151,193) |
| Write-off and transfer out | – | – | (84,611) | (84,611) |
| Recovery of loans and advances written off | – | – | 19,344 | 19,344 |
| Foreign exchange and other movements | (232) | (10) | (1,438) | (1,680) |
| As at 31 December | 243,069 | 109,186 | 186,531 | 538,786 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 17 Loans and advances to customers (Continued)

### *17.3 Reconciliation of allowance for impairment losses on loans and advances to customers (Continued)*

*(1) Allowance for loans at amortised cost (Continued)*

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 205,195 | 59,062 | 172,499 | 436,756 |
| Transfers to Stage 1 | 9,763 | (5,804) | (3,959) | – |
| Transfers to Stage 2 | (4,261) | 13,571 | (9,310) | – |
| Transfers to Stage 3 | (1,125) | (16,700) | 17,825 | – |
| Impairment (reversal)/losses of loans with stage transfers | (9,214) | 31,443 | 49,286 | 71,515 |
| Charge for the year (i) | 99,690 | 17,345 | 28,929 | 145,964 |
| Reversal for the year (ii) | (76,299) | (18,155) | (16,812) | (111,266) |
| Write-off and transfer out | – | – | (72,554) | (72,554) |
| Recovery of loans and advances written off | – | – | 13,889 | 13,889 |
| Foreign exchange and other movements | 314 | 221 | 69 | 604 |
| As at 31 December | 224,063 | 80,983 | 179,862 | 484,908 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 17 Loans and advances to customers (Continued)

#### *17.3 Reconciliation of allowance for impairment losses on loans and advances to customers (Continued)*

*(2) Allowance for loans at fair value through other comprehensive income*

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 385 | 5 | – | 390 |
| Transfers to Stage 1 | – | – | – | – |
| Transfers to Stage 2 | – | – | – | – |
| Transfers to Stage 3 | – | – | – | – |
| Impairment (reversal)/losses of loans with stage transfers | – | – | – | – |
| Charge for the year (i) | 530 | – | – | 530 |
| Reversal for the year (ii) | (489) | (5) | – | (494) |
| Foreign exchange and other movements | (35) | – | – | (35) |
| As at 31 December | 391 | – | – | 391 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 17 Loans and advances to customers (Continued)

### *17.3 Reconciliation of allowance for impairment losses on loans and advances to customers (Continued)*

*(2) Allowance for loans at fair value through other comprehensive income (Continued)*

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 479 | 6 | – | 485 |
| Transfers to Stage 1 | – | – | – | – |
| Transfers to Stage 2 | – | – | – | – |
| Transfers to Stage 3 | – | – | – | – |
| Impairment (reversal)/losses of loans with stage transfers | – | – | – | – |
| Charge for the year [(i)] | 355 | 5 | – | 360 |
| Reversal for the year [(ii)] | (453) | (6) | – | (459) |
| Foreign exchange and other movements | 4 | – | – | 4 |
| As at 31 December | 385 | 5 | – | 390 |

(i) Charge for the year comprises impairment losses attributable to new loans granted, brought forward loans without stage transfers, as well as changes to model and risk parameters, during the year.

(ii) Reversal for the year comprises impairment losses attributable to loans repaid, brought forward loans without stage transfers, as well as changes to model and risk parameters, during the year.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 17 Loans and advances to customers (Continued)

### *17.3 Reconciliation of allowance for impairment losses on loans and advances to customers (Continued)*

In 2024, the changes in gross carrying amounts of loans and advances to customers that have a significant impact on the Group's impairment allowance were mainly derived from the credit business in the Chinese mainland, including:

- The domestic branches performed regular reviews of the five-category loan classification grading and internal credit ratings on their loans and advances to customers. Loans with a gross carrying amount of RMB222,695 million (2023: RMB197,816 million) were transferred from Stage 1 to Stage 2 and Stage 3, and the impairment allowance increased correspondingly by RMB75,391 million (2023: RMB57,490 million). The gross carrying amount of loans transferred from Stage 2 to Stage 3 was RMB49,097 million (2023: RMB38,450 million), with a corresponding increase in impairment allowance of RMB19,741 million (2023: RMB12,759 million). The gross carrying amount of loans transferred from Stage 2 to Stage 1 was RMB29,240 million (2023: RMB20,598 million), and the impairment allowance decreased correspondingly by RMB5,937 million (2023: RMB4,307 million). The gross carrying amount of loans transferred from Stage 3 to Stage 2 and Stage 1 was RMB12,592 million (2023: RMB20,930 million), and the impairment allowance decreased correspondingly by RMB3,881 million (2023: RMB7,966 million).

- During the year, the disposal of non-performing loans by domestic branches via write-off, transfer of creditor's rights and loans to equity conversion amounted to RMB54,370 million (2023: RMB49,558 million), resulting in a corresponding reduction of RMB49,119 million (2023: RMB48,648 million) in impairment allowance for Stage 3 loans.

- Through personal loan securitisation, the domestic branches transferred out loans of RMB20,083 million (2023: RMB13,810 million), resulting in a decrease of RMB14,902 million in the impairment allowance for Stage 3 loans (2023: RMB10,518 million in the impairment allowance for Stage 3 loans).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Financial assets at fair value through profit or loss** | | |
| **Financial assets held for trading and other financial assets at fair value through profit or loss** | | |
| Debt securities | | |
| Issuers in Chinese mainland | | |
| — Government | 33,243 | 31,540 |
| — Public sectors and quasi-governments | 251 | 205 |
| — Policy banks | 28,098 | 28,831 |
| — Financial institutions | 155,728 | 140,370 |
| — Corporate | 8,127 | 18,032 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | |
| — Governments | 67,793 | 35,089 |
| — Public sectors and quasi-governments | 1,557 | 1,504 |
| — Financial institutions | 20,547 | 24,105 |
| — Corporate | 11,209 | 17,038 |
| | 326,553 | 296,714 |
| Equity instruments | 124,604 | 112,434 |
| Fund investments and other | 103,720 | 101,803 |
| Total financial assets held for trading and other financial assets at fair value through profit or loss | 554,877 | 510,951 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Financial assets at fair value through profit or loss (Continued)** | | |
| **Financial assets at fair value through profit or loss (designated)** | | |
| Debt securities [(1)] | | |
| Issuers in Chinese mainland | | |
| — Government | 6,442 | 7,198 |
| — Policy banks | 88 | 84 |
| — Financial institutions | 1,235 | 8,455 |
| — Corporate | 1,531 | 1,633 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | |
| — Governments | 3,202 | 2,389 |
| — Public sectors and quasi-governments | 1,104 | 572 |
| — Financial institutions | 8,575 | 6,358 |
| — Corporate | 23,243 | 12,781 |
| Total financial assets at fair value through profit or loss (designated) | 45,420 | 39,470 |
| Total financial assets at fair value through profit or loss | 600,297 | 550,421 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Financial assets at fair value through other comprehensive income** | | |
| Debt securities | | |
| Issuers in Chinese mainland | | |
| — Government | 1,783,568 | 1,303,244 |
| — Public sectors and quasi-governments | 82,687 | 92,260 |
| — Policy banks | 643,129 | 498,501 |
| — Financial institutions | 306,201 | 208,123 |
| — Corporate | 188,358 | 169,338 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | |
| — Governments | 876,794 | 593,242 |
| — Public sectors and quasi-governments | 179,756 | 81,426 |
| — Financial institutions | 187,081 | 168,890 |
| — Corporate | 97,346 | 100,959 |
| | 4,344,920 | 3,215,983 |
| Equity instruments and other (2) | 44,025 | 32,130 |
| Total financial assets at fair value through other comprehensive income (3) | 4,388,945 | 3,248,113 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Financial assets at amortised cost** | | |
| Debt securities | | |
| Issuers in Chinese mainland | | |
| — Government [(4) (5)] | 2,487,884 | 2,435,134 |
| — Public sectors and quasi-governments | 73,569 | 75,889 |
| — Policy banks | 188,892 | 197,520 |
| — Financial institutions | 36,475 | 43,645 |
| — Corporate | 7,427 | 12,668 |
| — China Orient [(6)] | 152,433 | 152,433 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | |
| — Governments | 177,541 | 194,020 |
| — Public sectors and quasi-governments | 115,994 | 119,169 |
| — Financial institutions | 72,700 | 70,788 |
| — Corporate | 10,418 | 10,285 |
| | 3,323,333 | 3,311,551 |
| Investment trusts, asset management plans and other | 24,642 | 23,761 |
| Accrued interest | 32,124 | 35,568 |
| Less: allowance for impairment losses | (9,064) | (10,697) |
| Total financial assets at amortised cost | 3,371,035 | 3,360,183 |
| Total financial investments [(7) (8) (9)] | 8,360,277 | 7,158,717 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Analysed as follows: | | |
| **Financial assets at fair value through profit or loss** | | |
| — Listed in Hong Kong, China | 40,263 | 41,361 |
| — Listed outside Hong Kong, China [10] | 286,381 | 275,651 |
| — Unlisted | 273,653 | 233,409 |
| **Financial assets at fair value through other comprehensive income** | | |
| Debt securities | | |
| — Listed in Hong Kong, China | 148,266 | 159,280 |
| — Listed outside Hong Kong, China [10] | 3,353,837 | 2,502,199 |
| — Unlisted | 842,817 | 554,504 |
| Equity instruments and other | | |
| — Listed in Hong Kong, China | 5,879 | 4,942 |
| — Listed outside Hong Kong, China [10] | 14,625 | 12,384 |
| — Unlisted | 23,521 | 14,804 |
| **Financial assets at amortised cost** | | |
| — Listed in Hong Kong, China | 19,035 | 20,934 |
| — Listed outside Hong Kong, China [10] | 3,046,737 | 3,042,487 |
| — Unlisted | 305,263 | 296,762 |
| Total | 8,360,277 | 7,158,717 |
| Listed in Hong Kong, China | 213,443 | 226,517 |
| Listed outside Hong Kong, China [10] | 6,701,580 | 5,832,721 |
| Unlisted | 1,445,254 | 1,099,479 |
| Total | 8,360,277 | 7,158,717 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

| | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Carrying value | Market value | Carrying value | Market value |
| Debt securities at amortised cost | | | | |
| — Listed in Hong Kong, China | 19,035 | 18,646 | 20,934 | 20,384 |
| — Listed outside Hong Kong, China [10] | 3,046,737 | 3,280,381 | 3,042,487 | 3,131,874 |

(1) In order to eliminate or significantly reduce accounting mismatches, certain debt securities are designated as financial assets at fair value through profit or loss.

(2) The Group designates certain non-trading equity instrument investments as financial investments measured at fair value through other comprehensive income. Investments in equity instruments in this category are mainly financial institution-type investments. In 2024, dividend income from such equity investments was RMB559 million (2023: RMB643 million). In 2024, the value of equity investments disposed of was RMB1,129 million (2023: RMB1,173 million) and the cumulative losses transferred into undistributed profits from other comprehensive income after disposal was RMB254 million (2023: cumulative gains of RMB110 million).

(3) The Group's accumulated impairment allowance for the debt securities at fair value through other comprehensive income as at 31 December 2024 amounted to RMB5,806 million (31 December 2023: RMB7,808 million).

(4) On 18 August 1998, a Special Purpose Treasury Bond was issued by the Ministry of Finance ("MOF") with a par value of RMB42,500 million maturing on 18 August 2028. This bond was originally issued with an annual coupon rate of 7.20% and its coupon rate was restructured to 2.25% per annum from 1 December 2004.

(5) The Bank underwrites certain Treasury bonds issued by the MOF and undertakes the role of a distributor of these Treasury bonds through its branch network earning commission income on bonds sold. The investors of these bond s have a right to redeem the bonds at any time prior to maturity and the Bank is committed to redeem these Treasury bonds, The balance of these bonds held by the Bank as at 31 December 2024 amounted to RMB966 million (31 December 2023: RMB1,265 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

(6) The Bank transferred certain non-performing assets to China Orient Asset Management Corporation ("China Orient") in 1999 and 2000 and China Orient issued a bond ("Orient Bond") with a par value of RMB160,000 million to the Bank as consideration. Based on the latest agreement, the Orient Bond will mature on 30 June 2025. The MOF shall continue to provide funding support for the principal and interest of the Orient Bond. The Bank received a notice from the MOF in January 2020, confirming that from 1 January 2020, the interest rate on the unpaid amounts will be verified year by year based on the rate of return of the five-year treasury bond of the previous year. As at 31 December 2024, the Bank had received early repayments of principal amounting to RMB7,567 million cumulatively.

(7) As at 31 December 2024, the Group held bonds issued by the MOF and bills issued by the PBOC included in financial investments. The carrying value (accrued interest excluded) and the related coupon rate range on such bonds and bills are as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Carrying value (accrued interest excluded) | 1,390,291 | 1,173,711 |
| Coupon rate range | 0.00%-5.31% | 0.00%-5.31% |

(8) Included in the Group's financial investments were certificates of deposit held amounting to RMB267,834 million as at 31 December 2024 (31 December 2023: RMB149,258 million).

(9) As at 31 December 2024, RMB4,021 million of debt securities measured at fair value through other comprehensive income and at amortised cost of the Group was determined to be impaired and was included under Stage 3 (31 December 2023: RMB3,957 million), with an impairment allowance of RMB3,446 million (31 December 2023: RMB3,295 million); RMB7,164 million of debt securities was included under Stage 2 (31 December 2023: RMB26,655 million), with an impairment allowance of RMB110 million (31 December 2023: RMB1,089 million) and the remaining debt securities were included under Stage 1, with impairment allowance measured based on 12-month expected credit losses.

(10) Debt securities traded in the Chinese mainland interbank bond market are included in "Listed outside Hong Kong (China)".

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

Reconciliation of allowance for impairment losses on financial investments at amortised cost:

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 2,808 | 94 | 7,795 | 10,697 |
| Transfers to Stage 1 | 5 | (5) | – | – |
| Impairment reversal due to stage transfers | (5) | – | – | (5) |
| Impairment (reversal)/losses during the year | (1,387) | (37) | 298 | (1,126) |
| Write-off and transfer out | – | – | (586) | (586) |
| Foreign exchange and other movements | 217 | – | (133) | 84 |
| As at 31 December | 1,638 | 52 | 7,374 | 9,064 |

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 2,812 | 68 | 7,007 | 9,887 |
| Transfers to Stage 2 | (3) | 3 | – | – |
| Transfers to Stage 3 | – | (13) | 13 | – |
| Impairment losses due to stage transfers | – | 12 | 496 | 508 |
| Impairment losses during the year | 141 | 24 | 261 | 426 |
| Foreign exchange and other movements | (142) | – | 18 | (124) |
| As at 31 December | 2,808 | 94 | 7,795 | 10,697 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 18 Financial investments (Continued)

Reconciliation of allowance for impairment losses on financial investments at fair value through other comprehensive income:

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 6,513 | 995 | 300 | 7,808 |
| Transfers to Stage 1 | 842 | (842) | – | – |
| Transfers to Stage 2 | (1) | 1 | – | – |
| Impairment reversal due to stage transfers | (568) | – | – | (568) |
| Impairment reversal during the year | (1,348) | (96) | – | (1,444) |
| Foreign exchange and other movements | 12 | – | – | 12 |
| As at 31 December | 5,450 | 58 | 300 | 5,808 |

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at 1 January | 5,305 | 103 | 300 | 5,708 |
| Transfers to Stage 2 | (150) | 150 | – | – |
| Impairment losses due to stage transfers | – | 766 | – | 766 |
| Impairment losses/(reversal) during the year | 1,348 | (22) | – | 1,326 |
| Foreign exchange and other movements | 10 | (2) | – | 8 |
| As at 31 December | 6,513 | 995 | 300 | 7,808 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 19 Investment in associates and joint ventures

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 39,550 | 38,304 |
| Additions | 1,130 | 1,241 |
| Disposals and transfer out | (10) | (150) |
| Share of results, net of tax | 675 | 965 |
| Dividends received | (685) | (835) |
| Exchange differences and other | 312 | 25 |
| As at 31 December | 40,972 | 39,550 |

The carrying amounts of major investments in associates and joint ventures of the Group are as follows. Further details are disclosed in Note V.44.4.

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| China Insurance Investment Fund Co., Ltd. | 12,342 | 12,196 |
| BOC International (China) Co., Ltd. | 6,026 | 5,762 |
| Ying Kou Port Group CORP. | 3,803 | 3,902 |
| National Green Development Fund | 2,894 | 1,828 |
| CGN Phase I Private Equity Fund Company Limited | 2,025 | 1,809 |
| Shanghai Chenggang Real Estate Co., Ltd. | 1,788 | 1,781 |
| Sichuan Lutianhua Co., Ltd. | 1,511 | 1,517 |
| Graceful Field Worldwide Limited | 1,305 | 1,446 |
| Guomin Pension Insurance Co., Ltd. | 1,104 | 1,035 |
| Wkland Investments II Limited | 865 | 853 |
| Other | 7,309 | 7,421 |
| Total | 40,972 | 39,550 |

As at 31 December 2024, there were no restrictions on associates and joint ventures to transfer funds to the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 20 Property and equipment

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | **Buildings** | **Equipment and motor vehicles** | **Aircraft** | **Total** |
| **Cost** | | | | |
| As at 1 January | 130,438 | 75,636 | 169,675 | 375,749 |
| Additions | 282 | 5,912 | 3,857 | 10,051 |
| Transfer from investment properties (Note V.22) | 89 | – | – | 89 |
| Construction in progress transfer in (Note V.21) | 3,765 | 527 | 2,123 | 6,415 |
| Deductions | (380) | (4,392) | (12,401) | (17,173) |
| Exchange differences | 281 | 89 | 3,707 | 4,077 |
| As at 31 December | 134,475 | 77,772 | 166,961 | 379,208 |
| **Accumulated depreciation** | | | | |
| As at 1 January | (51,776) | (61,052) | (29,755) | (142,583) |
| Additions | (4,127) | (5,720) | (5,620) | (15,467) |
| Deductions | 230 | 3,886 | 4,284 | 8,400 |
| Transfer to investment properties (Note V.22) | 51 | – | – | 51 |
| Exchange differences | (106) | (75) | (735) | (916) |
| As at 31 December | (55,728) | (62,961) | (31,826) | (150,515) |
| **Allowance for impairment losses** | | | | |
| As at 1 January | (716) | – | (5,315) | (6,031) |
| Additions | – | – | (92) | (92) |
| Deductions | 4 | – | 1,451 | 1,455 |
| Exchange differences | (3) | – | (117) | (120) |
| As at 31 December | (715) | – | (4,073) | (4,788) |
| **Net book value** | | | | |
| As at 1 January | 77,946 | 14,584 | 134,605 | 227,135 |
| As at 31 December | 78,032 | 14,811 | 131,062 | 223,905 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 20 Property and equipment (Continued)

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | **Buildings** | **Equipment and motor vehicles** | **Aircraft** | **Total** |
| **Cost** | | | | |
| As at 1 January | 128,609 | 76,543 | 166,450 | 371,602 |
| Additions | 332 | 5,405 | 6,751 | 12,488 |
| Transfer from investment properties (Note V.22) | 213 | – | – | 213 |
| Construction in progress transfer in (Note V.21) | 2,946 | 534 | 3,736 | 7,216 |
| Deductions | (2,161) | (6,984) | (10,002) | (19,147) |
| Exchange differences | 499 | 138 | 2,740 | 3,377 |
| As at 31 December | 130,438 | 75,636 | 169,675 | 375,749 |
| **Accumulated depreciation** | | | | |
| As at 1 January | (49,222) | (61,115) | (25,909) | (136,246) |
| Additions | (4,200) | (6,545) | (5,562) | (16,307) |
| Deductions | 1,786 | 6,731 | 2,175 | 10,692 |
| Transfer to investment properties (Note V.22) | 24 | – | – | 24 |
| Exchange differences | (164) | (123) | (459) | (746) |
| As at 31 December | (51,776) | (61,052) | (29,755) | (142,583) |
| **Allowance for impairment losses** | | | | |
| As at 1 January | (727) | – | (7,853) | (8,580) |
| Additions | (1) | – | (62) | (63) |
| Deductions | 8 | – | 2,720 | 2,728 |
| Exchange differences | 4 | – | (120) | (116) |
| As at 31 December | (716) | – | (5,315) | (6,031) |
| **Net book value** | | | | |
| As at 1 January | 78,660 | 15,428 | 132,688 | 226,776 |
| As at 31 December | 77,946 | 14,584 | 134,605 | 227,135 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 20 Property and equipment (Continued)

As at 31 December 2024, the net book amount of aircraft leased out by BOC Aviation Limited, a subsidiary of the Group, under operating leases was RMB130,144 million (31 December 2023: RMB134,605 million).

As at 31 December 2024, the net book amount of aircraft owned by BOC Aviation Limited, a subsidiary of the Group, that has been pledged for loan facilities was RMB660 million (31 December 2023: RMB689 million) (Note V.32).

According to the relevant PRC laws and regulations, after conversion into a joint stock limited liability company, the Bank is required to re-register its property and equipment under the name of Bank of China Limited. As at 31 December 2024, the process of re-registration has not been completed. However, this registration process does not affect the rights of Bank of China Limited to these assets.

The carrying value of buildings is analysed based on the remaining terms of the leases as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Held in Hong Kong, China | | |
| on long-term lease (over 50 years) | 4,919 | 4,232 |
| on medium-term lease (10-50 years) | 8,808 | 8,911 |
| Subtotal | 13,727 | 13,143 |
| Held outside Hong Kong, China | | |
| on long-term lease (over 50 years) | 6,019 | 6,664 |
| on medium-term lease (10-50 years) | 49,127 | 50,721 |
| on short-term lease (less than 10 years) | 9,159 | 7,418 |
| Subtotal | 64,305 | 64,803 |
| Total | 78,032 | 77,946 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 21 Construction in progress

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Cost** | | |
| As at 1 January | 20,554 | 19,840 |
| Additions | 7,876 | 8,043 |
| Transfer to property and equipment (Note V.20) | (6,415) | (7,216) |
| Deductions | (373) | (284) |
| Exchange differences | 281 | 171 |
| As at 31 December | 21,923 | 20,554 |
| **Allowance for impairment losses** | | |
| As at 1 January | (208) | (227) |
| Additions | – | – |
| Deductions | 2 | 19 |
| Exchange differences | – | – |
| As at 31 December | (206) | (208) |
| **Net book value** | | |
| As at 1 January | 20,346 | 19,613 |
| As at 31 December | 21,717 | 20,346 |

### 22 Investment properties

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 22,704 | 23,311 |
| Additions | 506 | 200 |
| Transfer to property and equipment, net (Note V.20) | (140) | (237) |
| Deductions | (36) | (273) |
| Fair value changes (Note V.5) | (950) | (632) |
| Exchange differences | 347 | 335 |
| As at 31 December | 22,431 | 22,704 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 22 Investment properties (Continued)

The Group's investment properties are located in active real estate markets, and external appraisers make reasonable estimation of fair value using market prices of the same or similar properties and other related information from the real estate markets.

Investment properties are mainly held by Bank of China Hong Kong (Holdings) Limited ("BOCHK (Holdings)") and Bank of China Group Investment Limited ("BOCG Investment"), subsidiaries of the Group. The carrying values of investment properties held by BOCHK (Holdings) and BOCG Investment as at 31 December 2024 amounted to RMB9,688 million and RMB9,984 million, respectively (31 December 2023: RMB10,089 million and RMB9,829 million). The valuations of these investment properties as at 31 December 2024 were principally performed by Knight Frank Petty Limited based on the open market price and other related information.

The carrying value of investment properties is analysed based on the remaining terms of the leases as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Held in Hong Kong, China | | |
| on long-term lease (over 50 years) | 2,863 | 3,019 |
| on medium-term lease (10-50 years) | 6,860 | 7,001 |
| Subtotal | 9,723 | 10,020 |
| Held outside Hong Kong, China | | |
| on long-term lease (over 50 years) | 5,874 | 4,378 |
| on medium-term lease (10-50 years) | 5,662 | 7,153 |
| on short-term lease (less than 10 years) | 1,172 | 1,153 |
| Subtotal | 12,708 | 12,684 |
| Total | 22,431 | 22,704 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 23 Other assets

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Accounts receivable and prepayments (1) | 78,173 | 83,359 |
| Insurance contract assets | 35,906 | 44,674 |
| Right-of-use assets (2) | 18,480 | 18,958 |
| Intangible assets (3) | 22,996 | 20,702 |
| Land use rights (4) | 6,185 | 5,713 |
| Long-term deferred expense | 3,407 | 3,556 |
| Repossessed assets (5) | 2,177 | 3,152 |
| Goodwill (6) | 2,828 | 2,685 |
| Interest receivable | 1,792 | 1,240 |
| Other | 29,486 | 36,871 |
| Total | 201,430 | 220,910 |

(1) Accounts receivable and prepayments

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Accounts receivable and prepayments | 81,244 | 87,984 |
| Impairment allowance | (3,071) | (4,625) |
| Net value | 78,173 | 83,359 |

Accounts receivable and prepayments mainly include items in the process of clearing and settlement. The analysis of the ageing of accounts receivable and prepayments is as follows:

| | As at 31 December | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | **Balance** | **Impairment allowance** | **Balance** | **Impairment allowance** |
| Within 1 year | 76,307 | (446) | 82,220 | (372) |
| Between 1 year to 3 years | 2,123 | (405) | 1,296 | (431) |
| Over 3 years | 2,814 | (2,220) | 4,468 | (3,822) |
| Total | 81,244 | (3,071) | 87,984 | (4,625) |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 23 Other assets (Continued)

(2) Right-of-use assets

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | **Buildings** | **Motor vehicles and other** | **Total** | **Buildings** | **Motor vehicles and other** | **Total** |
| **Cost** | | | | | | |
| As at 1 January | 39,046 | 469 | 39,515 | 38,826 | 397 | 39,223 |
| Additions | 7,599 | 53 | 7,652 | 5,874 | 101 | 5,975 |
| Deductions | (7,345) | (87) | (7,432) | (5,895) | (30) | (5,925) |
| Exchange differences | (39) | (2) | (41) | 241 | 1 | 242 |
| As at 31 December | 39,261 | 433 | 39,694 | 39,046 | 469 | 39,515 |
| **Accumulated depreciation** | | | | | | |
| As at 1 January | (20,260) | (297) | (20,557) | (19,320) | (194) | (19,514) |
| Additions | (6,219) | (98) | (6,317) | (6,407) | (132) | (6,539) |
| Deductions | 5,509 | 81 | 5,590 | 5,532 | 29 | 5,561 |
| Exchange differences | 68 | 2 | 70 | (65) | – | (65) |
| As at 31 December | (20,902) | (312) | (21,214) | (20,260) | (297) | (20,557) |
| **Net book value** | | | | | | |
| As at 1 January | 18,786 | 172 | 18,958 | 19,506 | 203 | 19,709 |
| As at 31 December | 18,359 | 121 | 18,480 | 18,786 | 172 | 18,958 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 23 Other assets (Continued)

(3) Intangible assets

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **Cost** | | |
| As at 1 January | 55,005 | 47,888 |
| Additions | 8,533 | 8,136 |
| Deductions | (323) | (1,151) |
| Exchange differences | 169 | 132 |
| As at 31 December | 63,384 | 55,005 |
| **Accumulated amortisation** | | |
| As at 1 January | (34,292) | (28,842) |
| Additions | (6,121) | (6,209) |
| Deductions | 160 | 853 |
| Exchange differences | (117) | (94) |
| As at 31 December | (40,370) | (34,292) |
| **Allowance for impairment losses** | | |
| As at 1 January | | |
| Additions | (11) | (10) |
| Deductions | (7) | (1) |
| Exchange differences | – | – |
| | – | – |
| As at 31 December | (18) | (11) |
| **Net book value** | | |
| As at 1 January | 20,702 | 19,036 |
| As at 31 December | 22,996 | 20,702 |

For the year ended 31 December 2024, the capitalised expenditure incurred by the Group on projects under development phase was RMB5,279 million (2023: RMB5,163 million) and the total expenditure for projects which had reached their intended use during the year was RMB3,568 million (2023: RMB4,034 million). As at 31 December 2024, the total capitalised expenditure relating to projects under development phase was RMB10,386 million (31 December 2023: RMB8,677 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 23 Other assets (Continued)

(4) Land use rights

The carrying value of land use rights is analysed based on the remaining terms of the leases as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Held in Hong Kong, China | | |
| on medium-term lease (10-50 years) | 831 | – |
| Subtotal | 831 | – |
| Held outside Hong Kong, China | | |
| on long-term lease (over 50 years) | 34 | 54 |
| on medium-term lease (10-50 years) | 4,501 | 5,090 |
| on short-term lease (less than 10 years) | 819 | 569 |
| Subtotal | 5,354 | 5,713 |
| Total | 6,185 | 5,713 |

(5) Repossessed assets

As at 31 December 2024, the net book amount of repossessed assets was RMB2,177 million (31 December 2023: RMB3,152 million), mainly comprised properties. Related allowance for impairment was RMB487 million (31 December 2023: RMB828 million).

The total book value of repossessed assets disposed of during the year ended 31 December 2024 amounted to RMB1,902 million (2023: RMB644 million). The Group plans to dispose of the repossessed assets held at 31 December 2024 by auction, bidding or transfer.

(6) Goodwill

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 2,685 | 2,651 |
| Addition through acquisition of subsidiaries (i) | 95 | – |
| Decrease resulting from disposal of subsidiaries | – | – |
| Exchange differences | 48 | 34 |
| As at 31 December (ii) | 2,828 | 2,685 |

(i) The goodwill this year mainly arose from the acquisition of China Construction Bank (Brasil) Banco Múltiplo S/A ("CCB Brasil"), please refer to Note V. 41.

(ii) The goodwill mainly arose from the acquisition of BOC Aviation Limited in 2006 amounting to USD241 million (equivalent to RMB1,731 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 24 Impairment allowance

| | As at 1 January 2024 | Additions/ (reversal), net | Write-off and transfer out | Exchange differences and other | As at 31 December 2024 |
|---|---|---|---|---|---|
| Loans and advances to customers | | | | | |
| — at amortised cost | 484,908 | 120,825 | (67,363) | 416 | 538,786 |
| — at fair value through other comprehensive income | 390 | 36 | – | (35) | 391 |
| Subtotal | 485,298 | 120,861 | (67,363) | 381 | 539,177 |
| Financial investments | | | | | |
| — at amortised cost | 10,697 | (1,131) | (586) | 84 | 9,064 |
| — at fair value through other comprehensive income | 7,808 | (2,012) | – | 12 | 5,808 |
| Subtotal | 18,505 | (3,143) | (586) | 96 | 14,872 |
| Other | 49,023 | (14,996) | (3,828) | 363 | 30,562 |
| Total | 552,826 | 102,722 | (71,777) | 840 | 584,611 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 24 Impairment allowance (Continued)

| | As at 1 January 2023 | Additions/ (reversal), net | Write-off and transfer out | Exchange differences and other | As at 31 December 2023 |
|---|---|---|---|---|---|
| Loans and advances to customers | | | | | |
| — at amortised cost | 436,756 | 106,213 | (59,611) | 1,550 | 484,908 |
| — at fair value through other comprehensive income | 485 | (99) | – | 4 | 390 |
| Subtotal | 437,241 | 106,114 | (59,611) | 1,554 | 485,298 |
| Financial investments | | | | | |
| — at amortised cost | 9,887 | 934 | – | (124) | 10,697 |
| — at fair value through other comprehensive income | 5,708 | 2,092 | – | 8 | 7,808 |
| Subtotal | 15,595 | 3,026 | – | (116) | 18,505 |
| Other | 55,753 | (2,578) | (4,438) | 286 | 49,023 |
| Total | 508,589 | 106,562 | (64,049) | 1,724 | 552,826 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 25 Due to banks and other financial institutions

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Due to: | | |
| Banks in Chinese mainland | 417,834 | 419,953 |
| Other financial institutions in Chinese mainland | 2,235,299 | 1,552,016 |
| Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 183,429 | 208,620 |
| Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 81,786 | 56,632 |
| Subtotal | 2,918,348 | 2,237,221 |
| Accrued interest | 15,404 | 8,141 |
| Total | 2,933,752 | 2,245,362 |

### 26 Due to central banks

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Due to central banks | 1,106,128 | 1,226,588 |
| Accrued interest | 5,888 | 8,732 |
| Total | 1,112,016 | 1,235,320 |

### 27 Government certificates of indebtedness for bank notes issued and bank notes in circulation

Bank of China (Hong Kong) Limited ("BOCHK") and Bank of China Macao Branch are note issuing banks for Hong Kong Dollar and Macao Pataca notes in Hong Kong (China) and Macao (China), respectively. Under local regulations, these two entities are required to place deposits with the Hong Kong (China) and Macao (China) governments, respectively, to secure the currency notes in circulation.

Bank notes in circulation represent the liabilities in respect of Hong Kong Dollar notes and Macao Pataca notes in circulation, issued respectively by BOCHK and Bank of China Macao Branch.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 28 Placements from banks and other financial institutions

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Placements from: | | |
| Banks in Chinese mainland | 249,687 | 136,070 |
| Other financial institutions in Chinese mainland | 1,081 | 1,450 |
| Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 341,383 | 317,463 |
| Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | 11,282 | 17,081 |
| Subtotal | 603,433 | 472,064 |
| Accrued interest | 3,768 | 2,913 |
| Total (1) (2) (3) | 607,201 | 474,977 |

(1) As at 31 December 2024, the carrying amount of "Placements from banks and other financial institutions" measured at fair value through profit or loss of the Group was RMB27,774 million (31 December 2023: Nil).

(2) In order to eliminate or significantly reduce an accounting mismatch, the Group designates certain placements from banks and other financial institutions as financial liabilities at fair value through profit or loss. As at 31 December 2024, the carrying amount of the above-mentioned financial liabilities was RMB5,366 million (31 December 2023: RMB3,798 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 31 December 2024 and 2023 were not significant.

(3) Included in "Placements from banks and other financial institutions" are amounts received from counterparties under repurchase agreements and collateral agreements as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Repurchase debt securities (i) | 160,503 | 86,693 |

(i) Debt securities used as collateral under repurchase agreements were principally government bonds and were included in the amount disclosed under Note V.42.2.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 29 Financial liabilities held for trading

As at 31 December 2024 and 2023, financial liabilities held for trading mainly included short position in debt securities.

### 30 Due to customers

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Demand deposits | | |
| — Corporate deposits | 5,518,065 | 5,639,238 |
| — Personal deposits | 4,163,121 | 3,782,330 |
| Subtotal | 9,681,186 | 9,421,568 |
| Time deposits | | |
| — Corporate deposits | 5,955,203 | 5,592,463 |
| — Personal deposits | 7,318,692 | 6,662,417 |
| Subtotal | 13,273,895 | 12,254,880 |
| Structured deposits (1) | | |
| — Corporate deposits | 284,886 | 298,621 |
| — Personal deposits | 189,584 | 235,724 |
| Subtotal | 474,470 | 534,345 |
| Certificates of deposit | 324,563 | 310,212 |
| Other deposits (2) | 90,703 | 81,830 |
| Subtotal due to customers | 23,844,817 | 22,602,835 |
| Accrued interest | 357,771 | 304,215 |
| Total (3) | 24,202,588 | 22,907,050 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 30 Due to customers (Continued)

(1) According to the Group's risk management policy, the Group enters into derivatives to hedge market risks arising from its structured deposits. The Group designates certain structured deposits as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 31 December 2024, the carrying amount of these financial liabilities was RMB45,332 million (31 December 2023: RMB47,657 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 31 December 2024 and 2023 were not significant. For the years ended 31 December 2024 and 2023, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(2) Included in other deposits is special purpose funding, which represents long-term funding provided in multiple currencies by foreign governments and/or entities in the form of export credit, foreign government and other subsidised credit. The special purpose funding is normally used to finance projects with a special commercial purpose in the PRC as determined by the foreign governments or entities and the Group is obliged to repay the funding when it falls due.

As at 31 December 2024, the remaining maturity of special purpose funding ranges from 90 days to 29 years. The interest-bearing special purpose funding bears interest at floating and fixed rates ranging from 0.03% to 7.92% (31 December 2023: 0.15% to 7.92%). These terms are consistent with the related development loans granted to customers.

(3) Due to customers included margin deposits received by the Group as at 31 December 2024 of RMB414,308 million (31 December 2023: RMB585,801 million).

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 31 Bonds issued

| | Issue date | Maturity date | Annual interest rate | As at 31 December | |
|---|---|---|---|---|---|
| | | | | 2024 | 2023 |
| **Bonds issued at amortised cost** | | | | | |
| Tier 2 capital bonds issued | | | | | |
| 2014 US Dollar Debt Securities [1] | 13 November 2014 | 13 November 2024 | 5.00% | – | 21,231 |
| 2019 RMB Debt Securities First Tranche 01 [2] | 20 September 2019 | 24 September 2029 | 3.98% | – | 29,990 |
| 2019 RMB Debt Securities First Tranche 02 [3] | 20 September 2019 | 24 September 2034 | 4.34% | 9,996 | 9,996 |
| 2019 RMB Debt Securities Second Tranche [4] | 20 November 2019 | 22 November 2029 | 4.01% | – | 29,993 |
| 2020 RMB Debt Securities First Tranche 01 [5] | 17 September 2020 | 21 September 2030 | 4.20% | 59,975 | 59,975 |
| 2020 RMB Debt Securities First Tranche 02 [6] | 17 September 2020 | 21 September 2035 | 4.47% | 14,994 | 14,994 |
| 2021 RMB Debt Securities First Tranche 01 [7] | 17 March 2021 | 19 March 2031 | 4.15% | 14,996 | 14,995 |
| 2021 RMB Debt Securities First Tranche 02 [8] | 17 March 2021 | 19 March 2036 | 4.38% | 9,997 | 9,996 |
| 2021 RMB Debt Securities Second Tranche 01 [9] | 12 November 2021 | 16 November 2031 | 3.60% | 39,990 | 39,989 |
| 2021 RMB Debt Securities Second Tranche 02 [10] | 12 November 2021 | 16 November 2036 | 3.80% | 9,997 | 9,997 |
| 2022 RMB Debt Securities First Tranche [11] | 20 January 2022 | 24 January 2032 | 3.25% | 29,993 | 29,993 |
| 2022 RMB Debt Securities Second Tranche 01 [12] | 24 October 2022 | 26 October 2032 | 3.02% | 44,995 | 44,993 |
| 2022 RMB Debt Securities Second Tranche 02 [13] | 24 October 2022 | 26 October 2037 | 3.34% | 14,998 | 14,998 |
| 2023 RMB Debt Securities First Tranche 01 [14] | 20 March 2023 | 22 March 2033 | 3.49% | 39,995 | 39,995 |
| 2023 RMB Debt Securities First Tranche 02 [15] | 20 March 2023 | 22 March 2038 | 3.61% | 19,997 | 19,998 |
| 2023 RMB Debt Securities Second Tranche 01 [16] | 19 September 2023 | 21 September 2033 | 3.25% | 29,996 | 29,995 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 31 Bonds issued (Continued)

| | Issue date | Maturity date | Annual interest rate | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|---|---|---|
| Tier 2 capital bonds issued (Continued) | | | | | |
| 2023 RMB Debt Securities Second Tranche 02 (17) | 19 September 2023 | 21 September 2038 | 3.37% | 29,996 | 29,995 |
| 2023 RMB Debt Securities Third Tranche 01 (18) | 19 October 2023 | 23 October 2033 | 3.43% | 44,995 | 44,993 |
| 2023 RMB Debt Securities Third Tranche 02 (19) | 19 October 2023 | 23 October 2038 | 3.53% | 24,997 | 24,996 |
| 2023 RMB Debt Securities Fourth Tranche 01 (20) | 1 December 2023 | 5 December 2033 | 3.30% | 14,999 | 14,998 |
| 2023 RMB Debt Securities Fourth Tranche 02 (21) | 1 December 2023 | 5 December 2038 | 3.37% | 14,999 | 14,998 |
| 2024 RMB Debt Securities First Tranche 01 (22) | 30 January 2024 | 1 February 2034 | 2.78% | 29,998 | – |
| 2024 RMB Debt Securities First Tranche 02 (23) | 30 January 2024 | 1 February 2039 | 2.85% | 29,998 | – |
| 2024 RMB Debt Securities Second Tranche 01 (24) | 2 April 2024 | 8 April 2034 | 2.62% | 34,997 | – |
| 2024 RMB Debt Securities Second Tranche 02 (25) | 2 April 2024 | 8 April 2039 | 2.71% | 24,996 | – |
| Subtotal (29) | | | | 589,894 | 551,108 |
| Total loss-absorbing capacity eligible non-capital bonds (TLAC Non-capital Bonds) issued | | | | | |
| 2024 RMB TLAC Non-capital Debt 01A (26) | 16 May 2024 | 20 May 2028 | 2.25% | 24,996 | – |
| 2024 RMB TLAC Non-capital Debt 01B (27) | 16 May 2024 | 20 May 2030 | 2.35% | 14,998 | – |
| 2024 RMB TLAC Non-capital Green Debt (Bond Connect) First Tranche (28) | 13 December 2024 | 17 December 2028 | 1.78% | 9,999 | – |
| Subtotal (29) | | | | 49,993 | – |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 31 Bonds issued (Continued)

| | Issue date | Maturity date | Annual interest rate | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|---|---|---|
| Other bonds issued [30] | | | | | |
| US Dollar Debt Securities | | | | 189,278 | 192,057 |
| RMB Debt Securities | | | | 207,961 | 221,829 |
| Other | | | | 23,849 | 30,382 |
| Subtotal | | | | 421,088 | 444,268 |
| Negotiable certificates of deposit | | | | 980,653 | 794,294 |
| Subtotal bonds issued at amortised cost | | | | 2,041,628 | 1,789,670 |
| **Bonds issued at fair value through profit or loss [31]** | | | | 1,970 | 2,118 |
| Subtotal bonds issued | | | | 2,043,598 | 1,791,788 |
| **Accrued interest** | | | | 12,951 | 10,658 |
| Total bonds issued [32] | | | | 2,056,549 | 1,802,446 |

(1) The Bank issued tier 2 capital bonds in an amount of USD3 billion on 13 November 2014. The bonds have a maturity of 10 years, with a fixed coupon rate of 5.00%, due on 13 November 2024.

(2) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 20 September 2019. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.98%. The Bank is entitled to redeem the bonds at the end of the fifth year. The Bank has redeemed all the bonds in advance at face value on 24 September 2024.

(3) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 20 September 2019. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.34%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(4) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 20 November 2019. The bonds have a maturity of 10 years, with a fixed coupon rate of 4.01%. The Bank is entitled to redeem the bonds at the end of the fifth year. The Bank has redeemed all the bonds in advance at face value on 22 November 2024.

(5) The Bank issued tier 2 capital bonds in an amount of RMB60 billion on 17 September 2020. The bonds have a maturity of 10 years, with a fixed coupon rate of 4.20%. The Bank is entitled to redeem the bonds at the end of the fifth year.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 31 Bonds issued (Continued)

(6) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 17 September 2020. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.47%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(7) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 17 March 2021. The bonds have a maturity of 10 years with a fixed coupon rate of 4.15%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(8) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 17 March 2021. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.38%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(9) The Bank issued tier 2 capital bonds in an amount of RMB40 billion on 12 November 2021. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.60%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(10) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 12 November 2021. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.80%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(11) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 20 January 2022. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.25%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(12) The Bank issued tier 2 capital bonds in an amount of RMB45 billion on 24 October 2022. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.02%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(13) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 24 October 2022. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.34%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(14) The Bank issued tier 2 capital bonds in an amount of RMB40 billion on 20 March 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.49%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(15) The Bank issued tier 2 capital bonds in an amount of RMB20 billion on 20 March 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.61%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(16) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 19 September 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.25%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(17) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 19 September 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.37%. The Bank is entitled to redeem the bonds at the end of the tenth year.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 31 Bonds issued (Continued)

(18) The Bank issued tier 2 capital bonds in an amount of RMB45 billion on 19 October 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.43%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(19) The Bank issued tier 2 capital bonds in an amount of RMB25 billion on 19 October 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.53%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(20) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 1 December 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.30%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(21) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 1 December 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.37%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(22) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 30 January 2024. The bonds have a maturity of 10 years with a fixed coupon rate of 2.78%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(23) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 30 January 2024. The bonds have a maturity of 15 years with a fixed coupon rate of 2.85%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(24) The Bank issued tier 2 capital bonds in an amount of RMB35 billion on 2 April 2024. The bonds have a maturity of 10 years with a fixed coupon rate of 2.62%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(25) The Bank issued tier 2 capital bonds in an amount of RMB25 billion on 2 April 2024. The bonds have a maturity of 15 years with a fixed coupon rate of 2.71%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(26) The Bank issued total loss-absorbing capacity eligible non-capital bonds in an amount of RMB25 billion on 16 May 2024. The bonds have a maturity of 4 years with a fixed coupon rate of 2.25%. The Bank is entitled to redeem the bonds at the end of the third year.

(27) The Bank issued total loss-absorbing capacity eligible non-capital bonds in an amount of RMB15 billion on 16 May 2024. The bonds have a maturity of 6 years with a fixed coupon rate of 2.35%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(28) The Bank issued total loss-absorbing capacity eligible non-capital green bonds in an amount of RMB10 billion on 13 December 2024. The bonds have a maturity of 4 years with a fixed coupon rate of 1.78%. The Bank is entitled to redeem the bonds at the end of the third year.

(29) The claims of the holders of tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds will be subordinated to the claims of depositors and general creditors.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 31 Bonds issued (Continued)

(30) US Dollar Debt Securities, RMB Debt Securities and other Debt Securities were issued in Chinese mainland, Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions between 2015 and 2024 by the Group, with dates of maturity ranging from 2025 to 2034.

(31) According to the Group's risk management policy, the Group enters into derivatives to hedge market risks arising from certain of its bonds issued. The Group designates certain bonds issued as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 31 December 2024, the carrying amount of the above-mentioned bonds issued by the Group was RMB1,970 million (31 December 2023: RMB2,118 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 31 December 2024 and 2023 were not significant. In the years of 2024 and 2023, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(32) During the years ended 31 December 2024 and 2023, the Group did not default on any principal, interest or redemption amounts with respect to its bonds issued.

### 32 Other borrowings

These other borrowings relate to the financing of the aircraft leasing business of BOC Aviation Limited, a subsidiary of the Group, and are secured by its aircraft (Note V.20).

As at 31 December 2024, these other borrowings had a maturity ranging from 2 days to 6 years and bore floating and fixed interest rates ranging from 4.26% to 6.09% (31 December 2023: 6.26% to 6.47%).

During the years ended 31 December 2024 and 2023, the Group did not default on any principal, interest or redemption amounts with respect to its other borrowings.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 33 Current tax liabilities

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Corporate income tax | 19,682 | 51,180 |
| Value-added tax | 7,519 | 6,476 |
| City construction and maintenance tax | 690 | 647 |
| Education surcharges | 293 | 269 |
| Other | 837 | 731 |
| Total | 29,021 | 59,303 |

### 34 Retirement benefit obligations

As at 31 December 2024, the actuarial liabilities existing in relation to the retirement benefit obligations for employees who retired prior to 31 December 2003 and the early retirement obligations for employees who early-retired were RMB1,510 million (31 December 2023: RMB1,589 million) and RMB84 million (31 December 2023: RMB87 million), respectively, using the projected unit credit method.

The movements of the net liabilities recognised are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 1,676 | 1,842 |
| Interest cost | 40 | 48 |
| Past service cost | 18 | – |
| Net actuarial gains recognised | 8 | (41) |
| Benefits paid | (148) | (173) |
| As at 31 December | 1,594 | 1,676 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 34 Retirement benefit obligations (Continued)

Primary assumptions used:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Discount rate | | |
| — Normal retiree | 1.75% | 2.50% |
| — Early retiree | 1.25% | 2.25% |
| Pension benefit inflation rate | | |
| — Normal retiree | 3.0% | 3.0% |
| — Early retiree | 3.0% | 3.0% |
| Medical benefit inflation rate | 8.0% | 8.0% |
| Retiring age | | |
| — Male | 60-63 | 60 |
| — Female | 50-55/55-58 | 50/55 |

Assumptions regarding future mortality experience are based on the China Life Insurance Mortality Table (published historical statistics in China).

As at 31 December 2024 and 2023, there was no significant change in employee retirement benefit obligations that was attributable to changes in actuarial assumptions.

According to the Decision on the Implementation of Gradual Extension of the Statutory Retirement Age adopted by the Standing Committee of the National People's Congress in September 2024, from 1 January 2025, male employees will be delayed by one month every four months after the reform on the basis of the original statutory retirement age of 60, and the maximum retirement age will not exceed 63 years; After the reform, female employees who retire at the age of 50 will be delayed by one month every two months, and the maximum retirement age will not exceed 55 years; After the reform, female employees who retire at the age of 55 will be delayed by one month every four months, and the maximum retirement age will not exceed 58 years.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 35 Share appreciation rights plan

In November 2005, the Bank's Board of Directors and equity holders approved and adopted a Share Appreciation Rights Plan under which eligible participants, including directors, supervisors, management and other personnel designated by the Board, will be granted share appreciation rights, up to 25% of which will be exercisable each year beginning on the third anniversary date from the date of grant. The share appreciation rights will be valid for seven years from the date of grant. Eligible participants will be entitled to receive an amount equal to the difference, if any, between the average closing market price of the Bank's H shares in the ten days prior to the date of grant and the average closing market price of the Bank's H shares in the 12 months prior to the date of exercise as adjusted for any change in the Bank's equity. The plan provides cash-settled share-based payment only and accordingly, no shares will be issued under the share appreciation rights plan.

No share appreciation rights were granted since the inception of the plan.

### 36 Deferred income taxes

***36.1*** The table below includes the deferred income tax assets and liabilities of the Group after offsetting qualifying amounts and the related temporary differences.

| | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Temporary differences | Deferred tax assets/ (liabilities) | Temporary differences | Deferred tax assets/ (liabilities) |
| Deferred income tax assets | 256,236 | 62,691 | 296,050 | 75,156 |
| Deferred income tax liabilities | (66,048) | (9,130) | (55,920) | (7,397) |
| Net | 190,188 | 53,561 | 240,130 | 67,759 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 36 Deferred income taxes (Continued)

***36.2*** Deferred income tax assets/liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

| | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Temporary differences | Deferred tax assets/ (liabilities) | Temporary differences | Deferred tax assets/ (liabilities) |
| **Deferred income tax assets** | | | | |
| Asset impairment allowances | 353,730 | 88,368 | 319,479 | 79,510 |
| Pension, retirement benefits and salary payables | 43,013 | 10,730 | 37,502 | 9,359 |
| Financial instruments at fair value through profit or loss and derivative financial instruments | 147,472 | 36,681 | 125,953 | 31,396 |
| Financial assets at fair value through other comprehensive income | 11,613 | 2,511 | 13,009 | 2,780 |
| Other temporary differences | 78,268 | 16,519 | 73,198 | 16,387 |
| Subtotal | 634,096 | 154,809 | 569,141 | 139,432 |
| **Deferred income tax liabilities** | | | | |
| Financial instruments at fair value through profit or loss and derivative financial instruments | (168,056) | (41,844) | (126,838) | (31,581) |
| Financial assets at fair value through other comprehensive income | (121,202) | (30,644) | (47,421) | (11,652) |
| Depreciation and amortisation | (52,700) | (6,543) | (46,905) | (5,820) |
| Revaluation of investment properties | (11,517) | (2,236) | (10,933) | (2,104) |
| Other temporary differences | (90,433) | (19,981) | (96,914) | (20,516) |
| Subtotal | (443,908) | (101,248) | (329,011) | (71,673) |
| Net | 190,188 | 53,561 | 240,130 | 67,759 |

As at 31 December 2024, deferred tax liabilities relating to temporary differences of RMB239,446 million associated with the Group's investments in subsidiaries had not been recognised (31 December 2023: RMB214,236 million). Refer to Note II.19.2.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 36 Deferred income taxes (Continued)

***36.3*** Movements of the deferred income tax are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 67,759 | 64,335 |
| Credited to the income statement (Note V.10) | 851 | 10,599 |
| Charged to other comprehensive income | (15,674) | (7,012) |
| Other | 625 | (163) |
| As at 31 December | 53,561 | 67,759 |

***36.4*** Breakdowns of deferred income tax credit/(charge) in the income statement are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Asset impairment allowances | 7,990 | 3,505 |
| Financial instruments at fair value through profit or loss and derivative financial instruments | (4,976) | 7,897 |
| Pension, retirement benefits and salary payables | 1,369 | 1,367 |
| Other temporary differences | (3,532) | (2,170) |
| Total | 851 | 10,599 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 37 Other liabilities

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Insurance liabilities | 302,000 | 257,625 |
| Items in the process of clearance and settlement | 163,211 | 63,547 |
| Salary and welfare payables (1) | 56,960 | 52,117 |
| Dividends payable | 36,297 | 722 |
| Lease liabilities (2) | 18,716 | 18,797 |
| Provision (3) | 18,604 | 31,776 |
| Deferred income | 7,080 | 6,865 |
| Other | 82,180 | 80,709 |
| Total | 685,048 | 512,158 |

(1) Salary and welfare payables

| | **As at 1 January 2024** | **Accrual** | **Payment** | **As at 31 December 2024** |
|---|---|---|---|---|
| Salary, bonus and subsidy | 44,839 | 79,114 | (73,917) | 50,036 |
| Staff welfare | – | 5,589 | (5,589) | – |
| Social insurance | | | | |
| — Medical | 1,477 | 5,679 | (5,548) | 1,608 |
| — Pension | 249 | 7,577 | (7,555) | 271 |
| — Annuity | 10 | 4,317 | (4,315) | 12 |
| — Unemployment | 6 | 284 | (284) | 6 |
| — Injury at work | 3 | 113 | (114) | 2 |
| — Maternity insurance | 4 | 123 | (123) | 4 |
| Housing funds | 61 | 5,729 | (5,757) | 33 |
| Labour union fee and staff education fee | 4,970 | 1,254 | (1,846) | 4,378 |
| Reimbursement for cancellation of labour contract | 15 | 123 | (123) | 15 |
| Other | 483 | 5,516 | (5,404) | 595 |
| Total (i) | 52,117 | 115,418 | (110,575) | 56,960 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 37 Other liabilities (Continued)

(1) Salary and welfare payables (Continued)

| | As at 1 January 2023 | Accrual | Payment | As at 31 December 2023 |
|---|---|---|---|---|
| Salary, bonus and subsidy | 38,842 | 76,250 | (70,253) | 44,839 |
| Staff welfare | – | 4,871 | (4,871) | – |
| Social insurance | | | | |
| — Medical | 1,358 | 4,388 | (4,269) | 1,477 |
| — Pension | 257 | 6,914 | (6,922) | 249 |
| — Annuity | 12 | 4,114 | (4,116) | 10 |
| — Unemployment | 7 | 245 | (246) | 6 |
| — Injury at work | 2 | 98 | (97) | 3 |
| — Maternity insurance | 3 | 119 | (118) | 4 |
| Housing funds | 51 | 5,451 | (5,441) | 61 |
| Labour union fee and staff education fee | 5,374 | 1,911 | (2,315) | 4,970 |
| Reimbursement for cancellation of labour contract | 25 | 21 | (31) | 15 |
| Other | 726 | 5,437 | (5,680) | 483 |
| Total [(i)] | 46,657 | 109,819 | (104,359) | 52,117 |

(i) There was no overdue payment for staff salary and welfare payables as at 31 December 2024 and 2023.

(2) Lease liabilities

The Group's lease liabilities are analysed by the maturity date – undiscounted analysis

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Less than 1 year | 6,791 | 6,585 |
| Between 1 to 5 years | 9,255 | 10,297 |
| Over 5 years | 8,304 | 7,656 |
| Undiscounted lease liabilities | 24,350 | 24,538 |
| Lease liabilities | 18,716 | 18,797 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 37 Other liabilities (Continued)

(3) Provision

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Allowance for credit commitments [(i)] | 17,421 | 30,917 |
| Allowance for litigation losses (Note V. 42.1) | 1,183 | 859 |
| Total | 18,604 | 31,776 |

Movements of the provision are as follows:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| As at 1 January | 31,776 | 32,844 |
| Reversal for the year | (13,553) | (808) |
| Utilised during the year | (262) | (374) |
| Exchange differences and other | 643 | 114 |
| As at 31 December | 18,604 | 31,776 |

(i) Allowance for credit commitments is measured using the ECL model. Credit commitments were mainly under Stage 1, and the transfers in balance between stages were not significant during the years ended 31 December 2024 and 2023.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 38 Share capital, capital reserve and other equity instruments

#### *38.1 Share capital*

The Bank's share capital is as follows:

Unit: Share

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Domestic listed A shares, par value of RMB1.00 per share | 210,765,514,846 | 210,765,514,846 |
| Overseas listed H shares, par value of RMB1.00 per share | 83,622,276,395 | 83,622,276,395 |
| Total | 294,387,791,241 | 294,387,791,241 |

All A and H shares rank pari passu with the same rights and benefits.

#### *38.2 Capital reserve*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Share premium | 133,620 | 133,632 |
| Other capital reserve | 2,148 | 2,104 |
| Total | 135,768 | 135,736 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 38 Share capital, capital reserve and other equity instruments (Continued)

### *38.3 Other equity instruments*

Movements in the Bank's other equity instruments were as follows:

| | As at 1 January 2024 | | Increase/(decrease) | | As at 31 December 2024 | |
|---|---|---|---|---|---|---|
| | Quantity (million shares) | Issue amount | Quantity (million shares) | Issue amount | Quantity (million shares) | Issue amount |
| **Preference Shares** | | | | | | |
| Domestic Preference Shares (Third Tranche) [1] | 730.0 | 73,000 | – | – | 730.0 | 73,000 |
| Domestic Preference Shares (Fourth Tranche) [2] | 270.0 | 27,000 | – | – | 270.0 | 27,000 |
| Offshore Preference Shares (Second Tranche) [3] | 197.9 | 19,787 | – | – | 197.9 | 19,787 |
| Subtotal | 1,197.9 | 119,787 | – | – | 1,197.9 | 119,787 |
| **Perpetual Bonds** | | | | | | |
| 2019 Undated Capital Bonds (Series 1) [4] | | 40,000 | | (40,000) | | – |
| 2020 Undated Capital Bonds (Series 1) [5] | | 40,000 | | – | | 40,000 |
| 2020 Undated Capital Bonds (Series 2) [6] | | 30,000 | | – | | 30,000 |
| 2020 Undated Capital Bonds (Series 3) [7] | | 20,000 | | – | | 20,000 |
| 2021 Undated Capital Bonds (Series 1) [8] | | 50,000 | | – | | 50,000 |
| 2021 Undated Capital Bonds (Series 2) [9] | | 20,000 | | – | | 20,000 |
| 2022 Undated Capital Bonds (Series 1) [10] | | 30,000 | | – | | 30,000 |
| 2022 Undated Capital Bonds (Series 2) [11] | | 20,000 | | – | | 20,000 |
| 2023 Undated Capital Bonds (Series 1) [12] | | 30,000 | | – | | 30,000 |
| 2024 Undated Capital Bonds (Series 1) [13] | | – | | 30,000 | | 30,000 |
| 2024 Undated Capital Bonds (Series 2) [14] | | – | | 20,000 | | 20,000 |
| Subtotal | | 280,000 | | 10,000 | | 290,000 |
| Total | | 399,787 | | 10,000 | | 409,787 |

As at 31 December 2024, the transaction costs of outstanding other equity instruments issued by the Bank were RMB106 million (31 December 2023: RMB110 million).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 38 Share capital, capital reserve and other equity instruments (Continued)

### *38.3 Other equity instruments (Continued)*

(1) With the approvals by the relevant regulatory authorities in China, the Bank issued non-cumulative Domestic Preference Shares on 24 June 2019, in the aggregate par value of RMB73 billion. Each Domestic Preference Share has a par value of RMB100 and 730 million Domestic Preference Shares were issued in total. The dividend rate of the shares for the first five years is 4.50% (pre-tax), which is reset every 5 years. On 26 June 2024 the dividend rate of the shares for the first five years ended, and from 27 June 2024 the dividend rate of the shares for the second five years is 3.48% (pre-tax) adjusted based on the benchmark interest rate of 2.05%, and the dividend is paid annually.

The Domestic Preference Shares have no maturity date. However, subject to the satisfaction of the redemption conditions and the prior approval of the relevant regulatory authorities, the Bank may at its discretion redeem all or part of the Domestic Preference Shares after 27 June 2024 at the redemption price representing the sum of the par value of the Domestic Preference Share and the dividends declared but not yet distributed.

(2) With the approvals by the relevant regulatory authorities in China, the Bank issued non-cumulative Domestic Preference Shares on 26 August 2019, in the aggregate par value of RMB27 billion. Each Domestic Preference Share has a par value of RMB100 and 270 million Domestic Preference Shares were issued in total. The dividend rate of the shares for the first five years is 4.35% (pre-tax), which is reset every 5 years. On 28 August 2024 the dividend rate of the shares for the first five years ended, and from 29 August 2024 the dividend rate of the shares for the second five years is 3.27% (pre-tax) adjusted based on the benchmark interest rate of 1.86%, and the dividend is paid annually.

The Domestic Preference Shares have no maturity date. However, subject to the satisfaction of the redemption conditions and the prior approval of the relevant regulatory authorities, the Bank may at its discretion redeem all or part of the Domestic Preference Shares after 29 August 2024 at the redemption price representing the sum of the par value of the Domestic Preference Share and the dividends declared but not yet distributed.

(3) With the approvals by the relevant regulatory authorities in China, the Bank issued the US Dollar settled non-cumulative Offshore Preference Shares on 4 March 2020. Each Offshore Preference Share has a par value of RMB100 and 197,865,300 Offshore Preference Shares were issued in total. The aggregate par value of the Offshore Preference Shares is USD2.820 billion as converted into USD using the fixed exchange rate (USD1.00 to RMB7.0168). The initial annual dividend rate is 3.60% (after tax) and is subject to reset per agreement, but in no case shall exceed 12.15%. The dividends are calculated and paid in US Dollars.

The Offshore Preference Shares have no maturity date. However, subject to the satisfaction of the redemption conditions and the prior approval of the relevant regulatory authorities, the Bank may at its discretion redeem all or part of the Offshore Preference Shares on 4 March 2025 or any dividend payment date thereafter at the redemption price representing the sum of the par value of the Offshore Preference Shares and the dividends declared but not yet distributed, as calculated and paid in US Dollars.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 38 Share capital, capital reserve and other equity instruments (Continued)

#### *38.3 Other equity instruments (Continued)*

Save for such dividend at the agreed dividend payout ratio, the holders of the above preference shares shall not be entitled to share in the distribution of the remaining profits of the Bank together with the holders of the ordinary shares. The above preference shares bear non-cumulative dividends. The Bank shall be entitled to cancel any dividend on the preference shares, and such cancellation shall not constitute a default. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full payment of dividends on the preference shares. Upon the occurrence of a triggering event for the compulsory conversion of preference shares into ordinary shares in accordance with the agreement, the Bank shall convert the preference shares into ordinary shares in whole or in part after reporting to the relevant regulatory authorities for its examination and approval decision. As at 31 December 2024, the above preference shares have not been converted to ordinary shares.

Funding raised from the issuance of the above preference shares was fully used to replenish the Bank's capital and to increase its capital adequacy ratio.

(4) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 25 January 2019 and completed the issuance on 29 January 2019. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 4.50%, which is reset every 5 years. According to the relevant terms and conditions in the prospectus for the issuance of the bonds, the bonds are subject to the redemption option of the issuer. With the approval of the NFRA, the Bank fully redeemed the bonds on 29 January 2024.

(5) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 28 April 2020 and completed the issuance on 30 April 2020. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 3.40%, which is reset every 5 years.

(6) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB30,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 13 November 2020 and completed the issuance on 17 November 2020. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 4.55%, which is reset every 5 years.

(7) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB20,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 10 December 2020 and completed the issuance on 14 December 2020. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 4.70%, which is reset every 5 years.

(8) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB50,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 17 May 2021 and completed the issuance on 19 May 2021. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 4.08%, which is reset every 5 years.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 38 Share capital, capital reserve and other equity instruments (Continued)

### *38.3 Other equity instruments (Continued)*

(9) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB20,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 25 November 2021 and completed the issuance on 29 November 2021. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 3.64%, which is reset every 5 years.

(10) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB30,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 8 April 2022 and completed the issuance on 12 April 2022. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 3.65%, which is reset every 5 years.

(11) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB20,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 26 April 2022 and completed the issuance on 28 April 2022. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 3.65%, which is reset every 5 years.

(12) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB30,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 14 June 2023 and completed the issuance on 16 June 2023. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 3.27%, which is reset every 5 years.

(13) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB30,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 26 July 2024 and completed the issuance on 30 July 2024. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 2.19%, which is reset every 5 years.

(14) With the approvals by the relevant regulatory authorities in China, the Bank issued RMB20,000 million write-down undated capital bonds in the Chinese mainland interbank bond market on 6 December 2024 and completed the issuance on 10 December 2024. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 2.17%, which is reset every 5 years.

The above perpetual bonds will continue to be outstanding so long as the Bank's business continues to operate. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the relevant regulatory authorities, the Bank may redeem these bonds in whole or in part on each distribution payment date from the fifth anniversary since the issuance. Upon the occurrence of a triggering event for the write-downs, with the consent of the relevant regulatory authorities and without the need for the consent of the holders of the above bonds, the Bank has the right to write down the principal amount of the above bonds issued and existing at that time in whole or in part, in accordance with the outstanding principal amount of the bonds. The claims in respect of the above bonds, in the event of a winding-up of the Bank, will be subordinated to the claims of depositors, general creditors and subordinated indebtedness that ranks senior to these bonds; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with these bonds.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 38 Share capital, capital reserve and other equity instruments (Continued)

#### *38.3 Other equity instruments (Continued)*

The above bonds bear non-cumulative interest and the Bank shall have the right to cancel distributions on these bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts. The Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment to the holders of these bonds.

Funding raised from the issuance of these bonds was fully used to replenish the Bank's capital and to increase its capital adequacy ratio.

***Interests attributable to the holders of equity instruments***

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Total equity attributable to equity holders of the Bank | 2,816,231 | 2,629,510 |
| — Equity attributable to ordinary shareholders of the Bank | 2,406,718 | 2,230,005 |
| — Equity attributable to other equity holders of the Bank | 409,513 | 399,505 |
| Total equity attributable to non-controlling interests | 136,733 | 127,305 |
| — Equity attributable to non-controlling interests of ordinary shares | 130,140 | 120,712 |
| — Equity attributable to non-controlling interests of other equity instruments | 6,593 | 6,593 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 39 Statutory reserves, general and regulatory reserves and undistributed profits

#### *39.1 Statutory reserves*

Under relevant PRC laws, the Bank is required to appropriate 10% of its net profit to non-distributable statutory surplus reserves. The appropriation to the statutory surplus reserves may cease when such reserves has reached 50% of the share capital. Subject to the approval of the Annual General Meeting, the statutory surplus reserves can be used for replenishing the accumulated losses or increasing the Bank's share capital. The statutory surplus reserves amount used to increase the share capital is limited to a level where the statutory surplus reserves after such capitalisation is not less than 25% of the share capital.

According to the profit distribution plan approved by the Board of Directors on 26 March 2025, the Bank appropriated 10% of the net profit for the year ended 31 December 2024 to the statutory surplus reserves, amounting to RMB20,914 million (2023: RMB20,824 million).

In addition, some operations in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions are required to appropriate certain percentages of their net profits to the statutory surplus reserves as stipulated by local banking authorities.

#### *39.2 General and regulatory reserves*

According to Cai Jin [2012] No. 20 *Requirements on Impairment Allowance for Financial Institutions* (the "Requirement"), issued by the MOF, in addition to the impairment allowance, the Bank establishes a general reserve to address unidentified potential impairment losses. The general reserve as a distribution of profits, being part of the equity, should not be less than 1.5% of the aggregate amount of risk assets as defined by the Requirement, and the minimum threshold can be accumulated over a period of no more than five years.

According to the profit distribution plan approved by the Board of Directors on 26 March 2025, the Bank appropriated RMB35,738 million to the general reserve for the year ended 31 December 2024 (2023: RMB40,468 million).

The regulatory reserve mainly refers to the reserve amount set aside by BOC Hong Kong (Group) Limited ("BOCHK Group"), a subsidiary of the Group, for general banking risks, including future losses or other unforeseeable risks. As at 31 December 2024 and 2023, the reserve amounts set aside by BOCHK Group were RMB3,778 million and RMB4,939 million, respectively.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 39 Statutory reserves, general and regulatory reserves and undistributed profits (Continued)

### *39.3 Dividends*

***Dividends for Ordinary Shares***

Ordinary share cash dividend of RMB69,593 million (pre-tax) in respect of the profit for the year ended 31 December 2023 was approved by the shareholders of the Bank at the Annual General Meeting held on 28 June 2024 and was distributed during the year.

A 2024 interim cash dividend of RMB1.208 per ten ordinary shares (pre-tax) amounting to RMB35,562 million (pre-tax) in total was approved at the Third Extraordinary General Meeting of 2024 held on 20 December 2024 and was recorded in "Other liabilities" as at 31 December 2024. Such cash dividend was distributed on 23 January 2025 after the appropriate withholding of individual and enterprise income taxes.

In addition to the interim cash dividend of RMB1.208 per ten ordinary shares (pre-tax), the Board of Directors of the Bank has recommended to distribute a final cash dividend of RMB1.216 per ten ordinary shares (pre-tax), leading to a total 2024 dividend of RMB2.424 per ten ordinary shares (pre-tax) (2023: RMB2.364 per ten ordinary shares (pre-tax)). Based on the profit for the year ended 31 December 2024, the amount of interim dividend distribution and the number of shares issued, the final cash dividend for ordinary shares amounted to RMB35,798 million (pre-tax). The 2024 final cash dividend will be proposed for approval for the forthcoming General Meeting and such dividend payable is not reflected in the liabilities of the financial statements.

***Dividends for Preference Shares***

Dividend distributions of Domestic Preference Shares (Third Tranche and Fourth Tranche) and Offshore Preference Shares (Second Tranche) were approved by the Board of Directors of the Bank at the fourth meeting of the Board of Directors on 2024. Dividend of Domestic Preference Shares (Third Tranche) amounting to RMB3,285 million (pre-tax) was distributed on 27 June 2024. Dividend of Domestic Preference Shares (Fourth Tranche) amounting to RMB1,174.5 million (pre-tax) which was distributed on 29 August 2024, and the dividend of Offshore Preference Shares (Second Tranche) amounting to USD101.5 million (after tax) was distributed on 4 March 2025 and have been recorded in "Other liabilities" as at 31 December 2024.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 39 Statutory reserves, general and regulatory reserves and undistributed profits (Continued)

#### *39.3 Dividends (Continued)*

***Interest on Perpetual Bonds***

The Bank distributed interest on the 2019 Undated Capital Bonds (Series 1) amounting to RMB1,800 million on 29 January 2024.

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 1) amounting to RMB1,095 million on 12 April 2024.

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 2) amounting to RMB730 million on 28 April 2024.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 1) amounting to RMB1,360 million on 30 April 2024.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 1) amounting to RMB2,040 million on 20 May 2024.

The Bank distributed interest on the 2023 Undated Capital Bonds (Series 1) amounting to RMB981 million on 17 June 2024.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 2) amounting to RMB1,365 million on 17 November 2024.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 2) amounting to RMB728 million on 29 November 2024.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 3) amounting to RMB940 million on 14 December 2024.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 40 Non-controlling interests

Non-controlling interests of the subsidiaries of the Group are as follows:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| BOC Hong Kong (Group) Limited | 100,071 | 91,000 |
| Tai Fung Bank Limited | 12,136 | 12,400 |
| Bank of China Group Investment Limited | 12,997 | 12,776 |
| Other | 11,529 | 11,129 |
| Total | 136,733 | 127,305 |

### 41 Changes in consolidation

In 2024 and 2023, the Group paid CCB Brazil Financial Holding – Investimentos e Participações Ltda. BRL564 million (equivalent to approximately RMB817 million) as the consideration for certain existing shares of China Construction Bank (Brasil) Banco Múltiplo S/A ("CCB Brasil") and BRL540 million (equivalent to approximately RMB764 million) to subscribe for certain new shares issued by CCB Brasil, respectively. As at 31 January 2024, the Group completed the acquisition and obtained control over the operations of CCB Brasil. Upon the completion of such acquisition, it became a 68.34% owned subsidiary of the Group and it is included in the scope of consolidation since 1 February 2024. In November 2024, it was renamed "Bank of China (Brasil) Banco Múltiplo S/A".

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 42 Contingent liabilities and commitments

### *42.1 Legal proceedings and arbitrations*

As at 31 December 2024, the Group was involved in certain litigation and arbitration cases in the regular course of its business. In the Group's regular business operations in different countries and regions across the world, given the range and scale of its international presence, the Group may be involved in a variety of litigation, arbitration and judicial proceedings within different jurisdictions, and the ultimate outcomes of these proceedings involve various levels of uncertainty. Management makes provisions for potential losses that may arise from these uncertainties based on assessments of potential liabilities, courts' judgements or the opinions of legal counsel, and as at 31 December 2024, the balance of the provisions was RMB1,183 million (31 December 2023: RMB859 million), as disclosed in Note V.37. Based upon the opinions of internal and external legal counsels, senior management of the Group believes that, at the current stage, these matters will not have a material impact on the financial position or operating results of the Group. Should the ultimate outcomes of these matters differ from the initially estimated amounts, such differences will impact the profit or loss in the period during which such a determination is made.

### *42.2 Assets pledged*

Assets pledged by the Group as collateral mainly for placement, repurchase, short positions, derivative transactions with other banks and financial institutions and for local statutory requirements are set forth in the table below. These transactions are conducted under standard and normal business terms.

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Debt securities | 1,281,470 | 1,450,062 |
| Bills | 877 | 638 |
| Total | 1,282,347 | 1,450,700 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 42 Contingent liabilities and commitments (Continued)

#### *42.3 Collateral accepted*

The Group accepts securities as collateral that are permitted to be sold or re-pledged in connection with reverse repurchase and derivative agreements with banks and other financial institutions. As at 31 December 2024, the fair value of collateral received from banks and other financial institutions accepted by the Group amounted to RMB113,030 million (31 December 2023: RMB23,498 million). As at 31 December 2024, the fair value of the collateral that the Group had sold or re-pledged, but was obligated to return, was RMB5 million (31 December 2023: RMB665 million). These transactions are conducted under standard terms in the normal course of business.

#### *42.4 Capital commitments*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Property and equipment | | |
| — Contracted but not provided for | 90,820 | 90,133 |
| — Authorised but not contracted for | 3,191 | 4,198 |
| Intangible assets | | |
| — Contracted but not provided for | 3,952 | 4,414 |
| — Authorised but not contracted for | 97 | 65 |
| Investment properties and others | | |
| — Contracted but not provided for | 375 | 552 |
| — Authorised but not contracted for | 4 | – |
| Total | 98,439 | 99,362 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 42 Contingent liabilities and commitments (Continued)

#### *42.5 Operating leases*

The Group acts as lessor in operating leases principally through aircraft leasing undertaken by its subsidiary BOC Aviation Limited. Under irrevocable operating lease contracts, the minimum lease payments which will be received by the Group under the operating leases for existing aircraft and aircraft yet to be delivered amounted to:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Less than 1 year | 14,548 | 14,406 |
| Between 1 to 2 years | 15,297 | 14,347 |
| Between 2 to 3 years | 14,870 | 13,940 |
| Between 3 to 4 years | 14,617 | 13,217 |
| Between 4 to 5 years | 13,390 | 12,865 |
| Over 5 years | 48,695 | 45,727 |
| Total | 121,417 | 114,502 |

#### *42.6 Treasury bonds redemption commitments*

The Bank is entrusted by the MOF to underwrite certain Treasury bonds. The investors of these Treasury bonds have a right to redeem the bonds at any time prior to maturity and the Bank is committed to redeem these Treasury bonds. The MOF will not provide funding for the early redemption of these Treasury bonds on a back-to-back basis but will pay interest and repay the principal at maturity. The redemption price is the principal value of the bonds plus unpaid interest in accordance with the early redemption arrangement.

As at 31 December 2024, the outstanding principal value of the Treasury bonds sold by the Bank under obligation to redeem prior to maturity amounted to RMB39,556 million (31 December 2023: RMB42,677 million). The original maturities of these Treasury bonds vary from 3 to 5 years and management expects the amount of redemption through the Bank prior to the maturity dates of these bonds will not be material.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 42 Contingent liabilities and commitments (Continued)

### *42.7 Credit commitments*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Loan commitments [1] | | |
| — with an original maturity of less than 1 year | 41,177 | 492,790 |
| — with an original maturity of 1 year or above | 612,656 | 2,952,967 |
| Undrawn credit card limits | 937,237 | 1,027,823 |
| Letters of guarantee issued [2] | | |
| — Financing letters of guarantee | 28,242 | 33,692 |
| — Non-financing letters of guarantee | 1,183,867 | 1,164,180 |
| Bank bill acceptance | 572,989 | 649,385 |
| Letters of credit issued | | |
| — Sight letters of credit | 93,535 | 107,952 |
| — Usance letters of credit | 44,401 | 51,083 |
| Accepted bills of exchange under letters of credit | 79,441 | 61,279 |
| Other | 115,892 | 253,054 |
| Total [3] | 3,709,437 | 6,794,205 |

(1) Loan commitments mainly represent undrawn loan facilities agreed and granted to customers. Unconditionally revocable loan commitments are not included in loan commitments. As at 31 December 2024, the Group's loan commitments that could be unconditionally cancelled at any time in accordance with the Capital Management Measures for Commercial Banks implemented on 1 January 2024 were RMB3,607,965 million.

(2) These obligations on the Group to make payments are dependent on the outcome of a future event.

(3) Risk-weighted assets for credit risk of credit commitments

The risk-weighted assets for credit risk of the Group are calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations under the advanced capital measurement approaches. The amounts are determined based on the creditworthiness of the counterparties, the terms of each type of contracts and other factors.

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Credit commitments [i] | 1,249,799 | 1,355,511 |

(i) The *Capital Rules for Commercial Banks* has been applied from 1 January 2024 and the risk-weighted assets for credit risk as at 31 December 2023 were calculated in accordance with the former *Capital Rules for Commercial Banks (Provisional)* and related regulations.

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 42 Contingent liabilities and commitments (Continued)

### *42.8 Underwriting obligations*

As at 31 December 2024, there was no firm commitment in underwriting securities of the Group (31 December 2023: Nil).

## 43 Notes to the statement of cash flows

Cash and cash equivalents comprise the following balances with an original maturity of less than three months:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Cash and due from banks and other financial institutions | 501,566 | 483,116 |
| Balances with central banks | 835,016 | 1,257,651 |
| Placements with and loans to banks and other financial institutions | 742,598 | 528,317 |
| Financial investments | 289,749 | 247,641 |
| Total | 2,368,929 | 2,516,725 |

As at 31 January 2024, the Group has completed the acquisition of CCB Brasil (Note V. 41). As at the completion date, CCB Brasil held cash and cash equivalents of RMB3,354 million. The net cash inflow from the acquisition of CCB Brasil is RMB2,535 million.

## 44 Related party transactions

***44.1*** The immediate and ultimate parents of the Group are Huijin and CIC, respectively.

As approved by the State Council, CIC was established on 29 September 2007 with registered capital of RMB1,550,000 million. As a wholly-owned subsidiary of CIC, Huijin exercises its rights and obligations as an investor on behalf of the PRC government in accordance with laws.

The Group entered into banking transactions with CIC in the normal course of its business on commercial terms.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.2 Transactions with Huijin and companies under Huijin*

*(1) General information of Huijin*

Central Huijin Investment Ltd.

| | |
|---|---|
| Legal representative | ZHANG Qingsong |
| Registered capital | RMB828,209 million |
| Location of registration | Beijing |
| Capital shares in the Bank | 64.13% |
| Voting rights in the Bank | 64.13% |
| Nature | Wholly state-owned company |
| Principal activities | Investment in major state-owned financial institutions on behalf of the State Council; other related businesses approved by the State Council. |
| Unified social credit code | 911000007109329615 |

*(2) Transactions with Huijin*

The Group enters into banking transactions with Huijin in the normal course of its business on commercial terms. Purchase of the bonds issued by Huijin was in the normal course of business and in compliance with the requirements of the related regulations and corporate governance.

**Transaction balances**

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Investment in debt securities | 53,593 | 25,257 |
| Placements with Huijin | 66,600 | 12,000 |
| Due to Huijin | (35,118) | (14,842) |

**Transaction amounts**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Interest income | 2,922 | 888 |
| Interest expense | (345) | (166) |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.2 Transactions with Huijin and companies under Huijin (Continued)*

*(3) Transactions with companies under Huijin*

Companies under Huijin include its equity interests in subsidiaries, associates and joint ventures in certain other bank and non-bank entities in the PRC. The Group enters into banking transactions with these companies in the normal course of business on commercial terms which include mainly purchase and sale of debt securities, money market transactions and derivative transactions.

In the normal course of business, main transactions that the Group entered into with the affiliates of Huijin are as follows:

**Transaction balances**

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Due from banks and other financial institutions | 81,012 | 138,515 |
| Placements with and loans to banks and other financial institutions | 236,724 | 214,458 |
| Financial investments | 666,455 | 566,220 |
| Derivative financial assets | 18,697 | 9,354 |
| Loans and advances to customers | 44,176 | 82,169 |
| Due to customers, banks and other financial institutions | (701,853) | (595,608) |
| Placements from banks and other financial institutions | (260,739) | (157,657) |
| Derivative financial liabilities | (13,477) | (10,537) |
| Credit commitments | 19,478 | 39,725 |

**Transaction amounts**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Interest income | 20,709 | 24,686 |
| Interest expense | (26,606) | (16,782) |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.2 Transactions with Huijin and companies under Huijin (Continued)*

*(3) Transactions with companies under Huijin (Continued)*

**Interest rate ranges**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Due from banks and other financial institutions | 0.00%-6.35% | 0.00%-10.82% |
| Placements with and loans to banks and other financial institutions | 0.48%-20.00% | -0.18%-23.00% |
| Financial investments | 0.00%-5.70% | 0.00%-6.83% |
| Loans and advances to customers | 0.39%-8.00% | 0.90%-6.82% |
| Due to customers, banks and other financial institutions | 0.00%-6.45% | 0.00%-6.45% |
| Placements from banks and other financial institutions | 0.15%-8.33% | -0.25%-8.33% |

#### *44.3 Transactions with government authorities, agencies, affiliates and other state-controlled entities*

The PRC government directly and indirectly controls a significant number of entities through its government authorities, agencies, affiliates and other state-controlled entities. The Group enters into extensive banking transactions with these entities in the normal course of business on commercial terms.

Transactions conducted with government authorities, agencies, affiliates and other state-controlled entities include the purchase and redemption of investment securities issued by government agencies, underwriting and distribution of treasury bonds issued by government agencies through the Group’s branch network, foreign exchange transactions and derivative transactions, lending, provision of credit and guarantees and deposit placing and taking.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 44 Related party transactions (Continued)

### *44.4 Transactions with associates and joint ventures*

The Group enters into banking transactions with associates and joint ventures in the normal course of business on commercial terms. These include loans and advances, deposit taking and other normal banking businesses. The main transactions that the Group entered into with associates and joint ventures are as follows:

**Transaction balances**

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Loans and advances to customers | 28,897 | 18,158 |
| Due to customers, banks and other financial institutions | (20,911) | (19,772) |
| Credit commitments | 38,260 | 27,497 |

**Transaction amounts**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Interest income | 932 | 673 |
| Interest expense | (356) | (395) |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.4 Transactions with associates and joint ventures (Continued)*

The general information of principal associates and joint ventures is as follows:

| Name | Place of incorporation/ establishment | Unified Social Credit Code | Effective equity held (%) | Voting right (%) | Paid-in capital (in millions) | Total equity | Operating income | Net profit/ (loss) | Principal business |
|---|---|---|---|---|---|---|---|---|---|
| China Insurance Investment Fund Co., Ltd. | PRC | 91110102MA01W7X36U | 25.70 | 25.70 | RMB45,000 | 48,047 | 2,235 | 2,066 | Investment in non-securities business; equity investment; investment management and consulting |
| BOC International (China) Co., Ltd. | PRC | 91310000736650364G | 33.42 | 33.42 | RMB2,778 | Note (2) | Note (2) | Note (2) | Securities brokerage; securities investment consulting; financial advisory services related to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary business; securities assets management; securities investment fund sales agency; margin financing and securities lending; distribution of financial products; management of publicly offered securities investment funds |
| Ying Kou Port Group CORP. | PRC | 91210800121119657C | 8.86 | Note (1) | RMB20,000 | Note (2) | Note (2) | Note (2) | Port operation; cargo handling |
| National Green Development Fund | PRC | 91310000MA1FL7AXXR | 9.04 | Note (1) | RMB88,500 | 32,199 | 222 | 19 | Equity investment; project investment; investment management; investment consulting |
| CGN Phase I Private Equity Fund Company Limited | PRC | 91110000717827478Q | 20.00 | 20.00 | RMB100 | 10,080 | 1,289 | 1,241 | Investment in nuclear power projects and related industries; assets management; investment consulting |
| Shanghai Chenggang Real Estate Co., Ltd. | PRC | 91310000MA1H3FM95L | 75.00 | Note (1) | RMB2,400 | 2,380 | – | (6) | Real estate development and operations; property management; non-residential real estate leasing; parking services |
| Sichuan Lutianhua Co., Ltd. | PRC | 91510500711880825C | 16.44 | Note (1) | RMB1,568 | Note (2) | Note (2) | Note (2) | Chemical industry, mainly produces and sells all kinds of fertilizers and chemical products |
| Graceful Field Worldwide Limited | BVI | N/A | 80.00 | Note (1) | USD0.0025 | 1,648 | 42 | 42 | Investment |
| Guomin Pension Insurance Co., Ltd. | PRC | 91110102MA7LE7UA7T | 8.79 | 8.79 | RMB11,378 | 12,836 | 5,960 | 426 | Insurance business; Insurance asset management |
| Wkland Investments II Limited | BVI | N/A | 50.00 | 50.00 | USD0.00002 | 573 | 105 | 57 | Investment holding |

(1) In accordance with the respective articles of association, the Group has significant influence or joint control over these companies.

(2) For the performance and related information of public offering companies, please refer to their financial reports.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 44 Related party transactions (Continued)

### *44.5 Transactions with the Annuity Fund*

As at 31 December 2024, apart from the obligations for defined contributions to the Annuity Fund established by the Group and the Bank, Annuity Fund held financial instruments issued by the Bank of RMB1,138 million (31 December 2023 and 2022: RMB626 million and RMB778 million).

### *44.6 Transactions with key management personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors, Supervisors and Executive Officers.

The Group enters into banking transactions with key management personnel in the normal course of business. During the years ended 31 December 2024 and 2023, there were no material transactions and balances with key management personnel on an individual basis.

The key management compensation for the years ended 31 December 2024 and 2023 comprises:

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Compensation for short-term employment benefits (1) | 12 | 17 |
| Compensation for post-employment benefits | 1 | 1 |
| Total | 13 | 18 |

(1) The total compensation packages for the key management personnel for the year ended 31 December 2024 has not yet been finalised in accordance with the relevant regulations of the PRC authorities. The amount of the compensation not provided for is not expected to have any significant impact on the Group's 2024 financial statements. The final compensation for the year ended 31 December 2024 will be disclosed in a separate announcement when determined.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.7 Transactions with Connected Natural Persons*

According to China Securities Regulatory Commission's Administrative Measure for Information Disclosure of Listed Companies, as at 31 December 2024, the Group's balance of loans and overdrafts to the connected natural persons totalled RMB145 million (balance at 31 December 2023: RMB41 million).

#### *44.8 Transactions with subsidiaries*

The main transactions with subsidiaries are as follows:

**Transaction balances**

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Due from banks and other financial institutions | 44,284 | 54,648 |
| Placements with and loans to banks and other financial institutions and loans and advances to customers | 287,940 | 289,431 |
| Due to banks and other financial institutions | (101,569) | (177,043) |
| Placements from banks and other financial institutions | (135,512) | (83,253) |

**Transaction amounts**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Interest income | 7,850 | 7,768 |
| Interest expense | (7,374) | (5,531) |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 44 Related party transactions (Continued)

#### *44.8 Transactions with subsidiaries (Continued)*

The general information of the principal subsidiaries is as follows:

| Name | Place of incorporation and operation | Year of incorporation/ establishment | Paid-in capital (in millions) | Effective equity held (%) | Voting right (%) | Principal business |
|---|---|---|---|---|---|---|
| **Directly held** [1] | | | | | | |
| BOC Hong Kong (Group) Limited | Hong Kong, China | 2001 | HKD34,806 | 100.00 | 100.00 | Holding company |
| BOC International Holdings Limited [3] | Hong Kong, China | 1998 | HKD3,539 | 100.00 | 100.00 | Investment banking |
| Bank of China Group Insurance Company Limited | Hong Kong, China | 1992 | HKD3,749 | 100.00 | 100.00 | Insurance services |
| Bank of China Group Investment Limited | Hong Kong, China | 1993 | HKD34,052 | 100.00 | 100.00 | Investment holding |
| Bank of China (Macau) Limited | Macao, China | 2022 | MOP13,000 | 100.00 | 100.00 | Commercial banking |
| BOC Fullerton Community Bank Co., Ltd. | Hebei, China | 2020 | RMB10,585 | 90.00 | 90.00 | Commercial banking |
| BOC Insurance Company Limited | Beijing, China | 2005 | RMB4,535 | 100.00 | 100.00 | Insurance services |
| BOC Financial Asset Investment Company Limited | Beijing, China | 2017 | RMB14,500 | 100.00 | 100.00 | Debt-to-equity swaps and other supporting businesses |
| BOC Wealth Management Co., Ltd. | Beijing, China | 2019 | RMB10,000 | 100.00 | 100.00 | Issuance of wealth management products, investment and management of entrusted assets for investors |
| BOC Financial Leasing Co., Ltd. | Chongqing, China | 2020 | RMB10,800 | 92.59 | 92.59 | Financial leasing |
| **Indirectly held** | | | | | | |
| BOC Hong Kong (Holdings) Limited [2] | Hong Kong, China | 2001 | HKD52,864 | 66.06 | 66.06 | Holding company |
| Bank of China (Hong Kong) Limited [3] | Hong Kong, China | 1964 | HKD43,043 | 66.06 | 100.00 | Commercial banking |
| BOC Credit Card (International) Limited | Hong Kong, China | 1980 | HKD565 | 66.06 | 100.00 | Credit card services |
| BOC Group Trustee Company Limited [3] | Hong Kong, China | 1997 | HKD200 | 77.60 | 100.00 | Investment holding |
| BOC Aviation Limited [2] | Singapore | 1993 | USD1,158 | 70.00 | 70.00 | Aircraft leasing |

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 44 Related party transactions (Continued)

### *44.8 Transactions with subsidiaries (Continued)*

(1) These directly held principal subsidiaries are unlisted companies. All holdings of the Bank are in the ordinary share capital of the undertaking concerned, and the ability of the subsidiaries to transfer funds to the Group and the Bank is not restricted.

(2) BOCHK (Holdings) and BOC Aviation Limited are listed on the Stock Exchange of Hong Kong Limited.

(3) BOCHK and BOC International Holdings Limited ("BOCI"), in which the Group holds 66.06% and 100% of their equity interests, respectively, hold 66% and 34% equity interests of BOC Group Trustee Company Limited, respectively.

For certain subsidiaries listed above, the discrepancy between the percentage of voting rights and the percentage of effective equity holding is mainly due to the impact of indirect holdings.

## 45 Segment reporting

The Group manages the business from both geographic and business perspectives. From the geographic perspective, the Group operates in three principal regions: Chinese mainland; Hong Kong (China), Macao (China) and Taiwan (China); and other countries and regions. From the business perspective, the Group provides services through six main business segments: corporate banking, personal banking, treasury operations, investment banking, insurance and other operations.

Measurement of segment assets, liabilities, income, expenses, results and capital expenditure is based on the Group's accounting policies. The segment information presented includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Funding is provided to and from individual business segments through treasury operations as part of the asset and liability management process. The pricing of these transactions is based on market rates. The transfer price takes into account the specific features and maturities of the product. Internal transactions are eliminated on consolidation. The Group regularly examines the transfer price and adjusts the price to reflect the current situation.

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 45 Segment reporting (Continued)

***Geographical segments***

Chinese mainland — Corporate banking, personal banking, treasury operations, insurance services, etc. are performed in the Chinese mainland.

Hong Kong (China), Macao (China) and Taiwan (China) — Corporate banking, personal banking, treasury operations, investment banking and insurance services are performed in Hong Kong (China), Macao (China) and Taiwan (China). The business of this segment is centralised in BOCHK Group.

Other countries and regions — Corporate and personal banking services are provided in other countries and regions.

***Business segments***

Corporate banking — Services to corporate customers, government authorities and financial institutions including current accounts, deposits, overdrafts, loans, payments and settlements, trade-related products and other credit facilities, foreign currency, derivative products and wealth management products.

Personal banking — Services to retail customers including savings deposits, personal loans, credit cards and debit cards, payments and settlements, wealth management products and funds and insurance agency services.

Treasury operations — Consisting of foreign exchange transactions, customer-based interest rate and foreign exchange derivative transactions, money market transactions, proprietary trading and asset and liability management. The results of this segment include the inter-segment funding income and expenses, results from interest-bearing assets and liabilities; and foreign currency translation gains and losses.

Investment banking — Consisting of debt and equity underwriting and financial advisory, sales and trading of securities, stock brokerage, investment research and asset management services, and private equity investment services.

Insurance — Underwriting of general and life insurance business and insurance agency services.

Other — Other operations of the Group comprise investment holding business and other miscellaneous activities, none of which constitutes a separately reportable segment.

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 45 Segment reporting (Continued)

### As at and for the year ended 31 December 2024

| | Chinese mainland | Hong Kong (China), Macao (China), Taiwan (China) | | | Other countries and regions | Elimination | Total |
|---|---|---|---|---|---|---|---|
| | | BOCHK Group | Other | Subtotal | | | |
| Interest income | 835,318 | 119,107 | 60,802 | 179,909 | 117,031 | (60,719) | 1,071,539 |
| Interest expense | (461,241) | (77,692) | (53,163) | (130,855) | (93,020) | 62,511 | (622,605) |
| **Net interest income** | 374,077 | 41,415 | 7,639 | 49,054 | 24,011 | 1,792 | 448,934 |
| Fee and commission income | 67,806 | 12,168 | 5,215 | 17,383 | 8,112 | (4,714) | 88,587 |
| Fee and commission expense | (7,940) | (3,188) | (1,664) | (4,852) | (2,847) | 3,642 | (11,997) |
| **Net fee and commission income** | 59,866 | 8,980 | 3,551 | 12,531 | 5,265 | (1,072) | 76,590 |
| Net trading gains | 17,605 | 16,031 | 4,522 | 20,553 | 262 | (1,929) | 36,491 |
| Net gains/(losses) on transfers of financial asset | 10,874 | (1,292) | 1,626 | 334 | 191 | – | 11,399 |
| Other operating income [(1)] | 31,300 | 2,362 | 27,255 | 29,617 | 281 | (1,841) | 59,357 |
| **Operating income** | 493,722 | 67,496 | 44,593 | 112,089 | 30,010 | (3,050) | 632,771 |
| Operating expenses [(1)] | (185,454) | (18,676) | (23,953) | (42,629) | (9,729) | 2,042 | (235,770) |
| Impairment losses on assets | (92,010) | (4,636) | (4,356) | (8,992) | (1,932) | 212 | (102,722) |
| **Operating profit** | 216,258 | 44,184 | 16,284 | 60,468 | 18,349 | (796) | 294,279 |
| Share of results of associates and joint ventures | 454 | (98) | 316 | 218 | 3 | – | 675 |
| **Profit before income tax** | 216,712 | 44,086 | 16,600 | 60,686 | 18,352 | (796) | 294,954 |
| Income tax expense | | | | | | | (42,235) |
| **Profit for the year** | | | | | | | 252,719 |
| Segment assets | 28,586,217 | 3,854,421 | 1,839,926 | 5,694,347 | 2,585,541 | (1,845,778) | 35,020,327 |
| Investments in associates and joint ventures | 23,960 | 1,145 | 15,762 | 16,907 | 105 | – | 40,972 |
| Total assets | 28,610,177 | 3,855,566 | 1,855,688 | 5,711,254 | 2,585,646 | (1,845,778) | 35,061,299 |
| Including: non-current assets [(2)] | 115,991 | 28,229 | 179,176 | 207,405 | 8,465 | (5,113) | 326,748 |
| Segment liabilities | 26,227,714 | 3,558,389 | 1,669,878 | 5,228,267 | 2,495,304 | (1,842,950) | 32,108,335 |
| Other segment items: | | | | | | | |
| Intersegment net interest (expense)/income | (2,347) | (506) | 14,099 | 13,593 | (13,038) | 1,792 | – |
| Intersegment net fee and commission income/(expense) | 653 | 20 | 505 | 525 | (106) | (1,072) | – |
| Capital expenditure | 16,397 | 2,897 | 8,940 | 11,837 | 267 | – | 28,501 |
| Depreciation and amortisation | 20,804 | 1,769 | 6,813 | 8,582 | 798 | (963) | 29,221 |
| Credit commitments | 2,905,053 | 308,547 | 52,610 | 361,157 | 543,917 | (100,690) | 3,709,437 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 45 Segment reporting (Continued)

#### As at and for the year ended 31 December 2023

| | | Hong Kong (China), Macao (China), Taiwan (China) | | | | | |
|---|---|---|---|---|---|---|---|
| | Chinese mainland | BOCHK Group | Other | Subtotal | Other countries and regions | Elimination | Total |
| Interest income | 836,222 | 108,745 | 55,653 | 164,398 | 104,565 | (56,334) | 1,048,851 |
| Interest expense | (443,158) | (68,628) | (46,867) | (115,495) | (82,114) | 58,461 | (582,306) |
| **Net interest income** | 393,064 | 40,117 | 8,786 | 48,903 | 22,451 | 2,127 | 466,545 |
| Fee and commission income | 72,643 | 11,031 | 6,241 | 17,272 | 7,760 | (5,306) | 92,369 |
| Fee and commission expense | (9,791) | (2,802) | (1,374) | (4,176) | (2,537) | 3,000 | (13,504) |
| **Net fee and commission income** | 62,852 | 8,229 | 4,867 | 13,096 | 5,223 | (2,306) | 78,865 |
| Net trading gains | 13,256 | 15,469 | 590 | 16,059 | 1,705 | (2,297) | 28,723 |
| Net gains/(losses) on transfers of financial asset | 697 | (1,323) | 1,329 | 6 | 103 | – | 806 |
| Other operating income (1) | 24,195 | 1,687 | 25,016 | 26,703 | 302 | (2,001) | 49,199 |
| **Operating income** | 494,064 | 64,179 | 40,588 | 104,767 | 29,784 | (4,477) | 624,138 |
| Operating expenses (1) | (176,593) | (20,053) | (20,413) | (40,466) | (8,849) | 2,975 | (222,933) |
| Impairment losses on assets | (88,124) | (5,706) | (5,380) | (11,086) | (7,352) | – | (106,562) |
| **Operating profit** | 229,347 | 38,420 | 14,795 | 53,215 | 13,583 | (1,502) | 294,643 |
| Share of results of associates and joint ventures | 511 | (198) | 652 | 454 | – | – | 965 |
| **Profit before income tax** | 229,858 | 38,222 | 15,447 | 53,669 | 13,583 | (1,502) | 295,608 |
| Income tax expense | | | | | | | (49,237) |
| **Profit for the year** | | | | | | | 246,371 |
| Segment assets | 26,447,373 | 3,474,132 | 1,737,180 | 5,211,312 | 2,372,795 | (1,638,864) | 32,392,616 |
| Investments in associates and joint ventures | 22,822 | 1,196 | 15,532 | 16,728 | – | – | 39,550 |
| Total assets | 26,470,195 | 3,475,328 | 1,752,712 | 5,228,040 | 2,372,795 | (1,638,864) | 32,432,166 |
| Including: non-current assets (2) | 115,120 | 27,191 | 180,959 | 208,150 | 8,659 | (4,878) | 327,051 |
| Segment liabilities | 24,246,297 | 3,205,141 | 1,572,698 | 4,777,839 | 2,288,051 | (1,636,836) | 29,675,351 |
| Other segment items: | | | | | | | |
| Intersegment net interest income/(expense) | 2,721 | (1,604) | 11,550 | 9,946 | (14,794) | 2,127 | – |
| Intersegment net fee and commission income/(expense) | 1,030 | (130) | 1,478 | 1,348 | (72) | (2,306) | – |
| Capital expenditure | 15,462 | 1,626 | 12,643 | 14,269 | 268 | – | 29,999 |
| Depreciation and amortisation | 21,707 | 1,774 | 6,929 | 8,703 | 830 | (824) | 30,416 |
| Credit commitments | 5,788,568 | 304,618 | 171,952 | 476,570 | 677,167 | (148,100) | 6,794,205 |

(1) Other operating income includes insurance premium income earned, and operating expenses include insurance service expenses.

(2) Non-current assets include property and equipment, investment properties, right-of-use assets, intangible assets and other long-term assets.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 45 Segment reporting (Continued)

### As at and for the year ended 31 December 2024

| | Corporate banking | Personal banking | Treasury operations | Investment banking | Insurance | Other | Elimination | Total |
|---|---|---|---|---|---|---|---|---|
| Interest income | 518,603 | 405,418 | 294,331 | 3,107 | 4,520 | 9,934 | (164,374) | 1,071,539 |
| Interest expense | (314,227) | (197,465) | (262,875) | (604) | (256) | (11,567) | 164,389 | (622,605) |
| **Net interest income/(expense)** | 204,376 | 207,953 | 31,456 | 2,503 | 4,264 | (1,633) | 15 | 448,934 |
| Fee and commission income | 32,467 | 36,714 | 14,116 | 6,393 | 9 | 1,896 | (3,008) | 88,587 |
| Fee and commission expense | (1,344) | (7,497) | (2,873) | (1,291) | (2) | (191) | 1,201 | (11,997) |
| **Net fee and commission income** | 31,123 | 29,217 | 11,243 | 5,102 | 7 | 1,705 | (1,807) | 76,590 |
| Net trading gains/(losses) | 1,692 | 604 | 25,207 | (101) | 3,554 | 5,512 | 23 | 36,491 |
| Net gains/(losses) on transfers of financial asset | 1,093 | 13 | 8,734 | 2 | 1,572 | (15) | – | 11,399 |
| Other operating income | 595 | 20,916 | 742 | 113 | 14,876 | 25,566 | (3,451) | 59,357 |
| **Operating income** | 238,879 | 258,703 | 77,382 | 7,619 | 24,273 | 31,135 | (5,220) | 632,771 |
| Operating expenses | (80,367) | (102,393) | (22,161) | (2,932) | (19,483) | (12,843) | 4,409 | (235,770) |
| Impairment losses on assets | (31,219) | (75,553) | 4,978 | (92) | (5) | (1,002) | 171 | (102,722) |
| **Operating profit** | 127,293 | 80,757 | 60,199 | 4,595 | 4,785 | 17,290 | (640) | 294,279 |
| Share of results of associates and joint ventures | – | – | – | 384 | – | 391 | (100) | 675 |
| **Profit before income tax** | 127,293 | 80,757 | 60,199 | 4,979 | 4,785 | 17,681 | (740) | 294,954 |
| Income tax expense | | | | | | | | (42,235) |
| **Profit for the year** | | | | | | | | 252,719 |
| Segment assets | 15,309,948 | 6,798,818 | 11,959,375 | 84,120 | 325,041 | 723,026 | (180,001) | 35,020,327 |
| Investments in associates and joint ventures | – | – | – | 7,679 | 331 | 33,244 | (282) | 40,972 |
| Total assets | 15,309,948 | 6,798,818 | 11,959,375 | 91,799 | 325,372 | 756,270 | (180,283) | 35,061,299 |
| Segment liabilities | 15,311,537 | 11,969,313 | 4,315,170 | 46,045 | 311,550 | 330,982 | (176,262) | 32,108,335 |
| Other segment items: | | | | | | | | |
| Intersegment net interest income/(expense) | 6,089 | 155,411 | (161,514) | 617 | 5 | (608) | – | – |
| Intersegment net fee and commission income/(expense) | 287 | 1,210 | 121 | (436) | – | 625 | (1,807) | – |
| Capital expenditure | 4,647 | 5,177 | 243 | 222 | 188 | 18,024 | – | 28,501 |
| Depreciation and amortisation | 10,212 | 10,054 | 3,149 | 411 | 51 | 6,677 | (1,333) | 29,221 |
| Credit commitments | 2,595,805 | 1,113,632 | – | – | – | – | – | 3,709,437 |

(Amounts in millions of Renminbi, unless otherwise stated)

# V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 45 Segment reporting (Continued)

### As at and for the year ended 31 December 2023

| | Corporate banking | Personal banking | Treasury operations | Investment banking | Insurance | Other | Elimination | Total |
|---|---|---|---|---|---|---|---|---|
| Interest income | 513,691 | 423,935 | 268,446 | 3,329 | 3,928 | 8,853 | (173,331) | 1,048,851 |
| Interest expense | (299,150) | (195,092) | (250,162) | (283) | (196) | (10,799) | 173,376 | (582,306) |
| **Net interest income/(expense)** | 214,541 | 228,843 | 18,284 | 3,046 | 3,732 | (1,946) | 45 | 466,545 |
| Fee and commission income | 36,894 | 36,895 | 12,634 | 6,123 | – | 2,133 | (2,310) | 92,369 |
| Fee and commission expense | (1,228) | (9,420) | (1,607) | (1,398) | (1) | (204) | 354 | (13,504) |
| **Net fee and commission income/(expense)** | 35,666 | 27,475 | 11,027 | 4,725 | (1) | 1,929 | (1,956) | 78,865 |
| Net trading gains/(losses) | 2,644 | 673 | 22,266 | (643) | 3,276 | 471 | 36 | 28,723 |
| Net gains/(losses) on transfers of financial asset | 1,174 | 11 | (1,578) | 3 | 1,205 | (9) | – | 806 |
| Other operating income | 733 | 15,234 | 580 | 142 | 12,751 | 24,415 | (4,656) | 49,199 |
| **Operating income** | 254,758 | 272,236 | 50,579 | 7,273 | 20,963 | 24,860 | (6,531) | 624,138 |
| Operating expenses | (78,070) | (96,866) | (20,897) | (2,935) | (17,029) | (12,617) | 5,481 | (222,933) |
| Impairment losses on assets | (70,970) | (34,445) | (623) | (148) | (1) | (133) | (242) | (106,562) |
| **Operating profit** | 105,718 | 140,925 | 29,059 | 4,190 | 3,933 | 12,110 | (1,292) | 294,643 |
| Share of results of associates and joint ventures | – | – | – | 370 | – | 686 | (91) | 965 |
| **Profit before income tax** | 105,718 | 140,925 | 29,059 | 4,560 | 3,933 | 12,796 | (1,383) | 295,608 |
| Income tax expense | | | | | | | | (49,237) |
| **Profit for the year** | | | | | | | | 246,371 |
| Segment assets | 13,771,018 | 6,603,661 | 11,025,328 | 78,200 | 278,635 | 751,818 | (116,044) | 32,392,616 |
| Investments in associates and joint ventures | – | – | – | 7,289 | 281 | 32,151 | (171) | 39,550 |
| Total assets | 13,771,018 | 6,603,661 | 11,025,328 | 85,489 | 278,916 | 783,969 | (116,215) | 32,432,166 |
| Segment liabilities | 14,413,638 | 10,988,012 | 3,748,905 | 43,352 | 263,308 | 331,087 | (112,951) | 29,675,351 |
| Other segment items: | | | | | | | | |
| Intersegment net interest income/(expense) | 25,649 | 145,230 | (170,685) | 918 | 11 | (1,123) | – | – |
| Intersegment net fee and commission income/(expense) | 311 | 1,359 | 111 | (346) | – | 521 | (1,956) | – |
| Capital expenditure | 4,593 | 5,157 | 243 | 207 | 165 | 19,634 | – | 29,999 |
| Depreciation and amortisation | 10,414 | 10,923 | 3,152 | 437 | 59 | 6,629 | (1,198) | 30,416 |
| Credit commitments | 5,338,334 | 1,455,871 | – | – | – | – | – | 6,794,205 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 46 Transfers of financial assets

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

***Repurchase agreements and securities lending transactions***

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and securities lent in securities lending transactions. Under this type of repurchase agreements, the counterparties are allowed to sell or re-pledge those securities in the absence of default by the Group, but have an obligation to return the securities upon maturity of the contract. If the value of securities increases or decreases, the Group may in certain circumstances, require counterparties or be required by counterparties to pay additional cash collateral. The Group has determined that the Group retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Group recognises a financial liability for cash received.

The following table analyses the carrying amount of the financial assets transferred to third parties that did not qualify for derecognition and their associated financial liabilities of repurchase agreements:

| | As at 31 December 2024 | | As at 31 December 2023 | |
|---|---|---|---|---|
| | Carrying amount of transferred assets | Carrying amount of associated liabilities | Carrying amount of transferred assets | Carrying amount of associated liabilities |
| Repurchase agreements | 86,957 | 84,167 | 71,811 | 70,922 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 46 Transfers of financial assets (Continued)

***Credit assets transfers***

The Group enters into credit asset transfers in the normal course of business during which it transfers credit assets to special purpose entities which in turn issue asset-backed securities or fund shares to investors. The Group may acquire some asset-backed securities and fund shares at the subordinated tranche level, and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

With respect to the credit assets that were securitised and qualified for derecognition, the Group derecognises the transferred credit assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in such securitisation transactions was RMB436 million as at 31 December 2024 (31 December 2023: RMB405 million), which also approximates the Group's maximum exposure to loss.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the transferred credit assets are recognised in the statement of financial position to the extent of the Group's continuing involvement. In the years of 2024 and 2023, there was no credit asset transfer transaction which resulted in new continuing involvement through acquiring tranches by the Group and the carrying amount of assets that the Group continues to recognise in the statement of financial position was RMB17,851 million as at 31 December 2024 (31 December 2023: RMB20,780 million).

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 47 Interests in structured entities

The Group is principally involved with structured entities through financial investments, asset management and credit assets transfers. These structured entities generally finance the purchase of assets by issuing securities or by other means. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them.

#### *47.1 Unconsolidated structured entities*

***Structured entities sponsored and managed by the Group***

In conducting the asset management business, the Group established various structured entities to provide customers specialised investment opportunities within well-defined objectives and narrow range, including wealth management products, funds and asset management plans. The Group earned management fee, commission and custodian fee in return.

As at 31 December 2024, after considering the impact of relevant joint activities of structured entities within the Group, the balance of wealth management products sponsored and managed by the Group amounted to RMB1,884,057 million (31 December 2023: RMB1,631,063 million), and funds and asset management plans amounted to RMB1,028,755 million (31 December 2023: RMB778,109 million).

For the year ended 31 December 2024, the above-mentioned commission, custodian fees and management fees amounted to RMB6,795 million (2023: RMB6,873 million).

For the purpose of asset-liability management, wealth management products may require short-term financing from the Group and other banks. The Group is not contractually obliged to provide any financing to these products. The Group may enter into reverse repurchase and placement transactions with these wealth management products in accordance with market principles. Such financing provided by the Group was included in "Placements with and loans to banks and other financial institutions". For the years ended 31 December 2024 and 2023, the Group did not provide any such financing. As at 31 December 2024 and 2023, the Group did not have any outstanding financing balance and there was no such exposure to these wealth management products.

In addition, the total carrying amount as at the transfer date of credit assets transferred by the Group into the unconsolidated structured entities was RMB5,484 million for the year ended 31 December 2024 (2023: RMB4,854 million). For the description of the portion of asset-backed securities issued by the above structured entities and held by the Group, refer to Note V.46.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 47 Interests in structured entities (Continued)

#### *47.1 Unconsolidated structured entities (Continued)*

***Structured entities sponsored by other financial institutions***

The structured entities sponsored by other financial institutions in which the Group holds investments are set out below:

| Structured entity type | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total | Maximum exposure to loss |
|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | |
| Fund investments | 89,482 | – | – | 89,482 | 89,482 |
| Investment trusts and asset management plans | 2,483 | 6,188 | 20,454 | 29,125 | 29,125 |
| Asset-backed securitisations | 54 | 109,888 | 77,560 | 187,502 | 187,502 |
| **As at 31 December 2023** | | | | | |
| Fund investments | 83,527 | – | – | 83,527 | 83,527 |
| Investment trusts and asset management plans | 2,347 | 1,581 | 18,989 | 22,917 | 22,917 |
| Asset-backed securitisations | – | 41,937 | 83,658 | 125,595 | 125,595 |

#### *47.2 Consolidated structured entities*

The Group's consolidated structured entities mainly consist of open-end funds, private equity funds, trusts for asset-backed securities, and special-purpose companies. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 48 Offsetting financial assets and financial liabilities

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements are analysed as below:

| | Gross amounts of recognised financial assets | Gross amounts offset in the statement of financial position | Amounts presented in the statement of financial position | Amounts not set off in the statement of financial position | | Net amount |
|---|---|---|---|---|---|---|
| | | | | Financial instruments* | Cash collateral received | |
| **As at 31 December 2024** | | | | | | |
| Derivatives | 152,109 | (52) | 152,057 | (102,232) | (29,022) | 20,803 |
| Reverse repo agreements | 29,335 | – | 29,335 | (29,335) | – | – |
| Other assets | 14,431 | (8,051) | 6,380 | (1) | – | 6,379 |
| Total | 195,875 | (8,103) | 187,772 | (131,568) | (29,022) | 27,182 |
| **As at 31 December 2023** | | | | | | |
| Derivatives | 123,059 | (4,167) | 118,892 | (82,485) | (20,129) | 16,278 |
| Reverse repo agreements | 23,172 | – | 23,172 | (23,172) | – | – |
| Other assets | 14,217 | (10,588) | 3,629 | – | – | 3,629 |
| Total | 160,448 | (14,755) | 145,693 | (105,657) | (20,129) | 19,907 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 48 Offsetting financial assets and financial liabilities (Continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are analysed as below:

| | Gross amounts of recognised financial liabilities | Gross amounts offset in the statement of financial position | Amounts presented in the statement of financial position | Amounts not set off in the statement of financial position | | Net amount |
|---|---|---|---|---|---|---|
| | | | | Financial instruments* | Cash collateral pledged | |
| **As at 31 December 2024** | | | | | | |
| Derivatives | 133,475 | (52) | 133,423 | (102,162) | (19,104) | 12,157 |
| Repurchase agreements | 89,760 | – | 89,760 | (89,760) | – | – |
| Other liabilities | 8,329 | (8,051) | 278 | (1) | – | 277 |
| Total | 231,564 | (8,103) | 223,461 | (191,923) | (19,104) | 12,434 |
| **As at 31 December 2023** | | | | | | |
| Derivatives | 112,585 | (4,167) | 108,418 | (82,499) | (10,280) | 15,639 |
| Repurchase agreements | 40,321 | – | 40,321 | (40,321) | – | – |
| Other liabilities | 13,560 | (10,588) | 2,972 | – | – | 2,972 |
| Total | 166,466 | (14,755) | 151,711 | (122,820) | (10,280) | 18,611 |

* Including non-cash collateral.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ("the offset criteria").

Derivatives and reverse repo/repurchase agreements included in the amounts are not set off in the statement of financial position where:

- the counterparty has an offsetting exposure with the Group and a master netting or similar arrangement (including ISDA master agreement and Global Master Netting Agreement) is in place with a right of setting off only in the event of default, insolvency or bankruptcy, or the offset criteria are otherwise not satisfied; and

- cash and non-cash collateral have been received/pledged in respect of the transactions described above.

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 49 The Bank's statement of financial position and changes in equity

### *49.1 The Bank's statement of financial position*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **ASSETS** | | |
| Cash and due from banks and other financial institutions | 522,543 | 547,648 |
| Balances with central banks | 2,117,684 | 2,553,233 |
| Placements with and loans to banks and other financial institutions | 1,567,988 | 1,417,564 |
| Government certificates of indebtedness for bank notes issued | 10,434 | 10,156 |
| Precious metals | 165,582 | 89,304 |
| Derivative financial assets | 131,009 | 97,714 |
| Loans and advances to customers, net | 18,925,714 | 17,393,207 |
| Financial investments | 6,415,064 | 5,591,540 |
| — Financial assets at fair value through profit or loss | 194,720 | 181,584 |
| — Financial assets at fair value through other comprehensive income | 3,081,602 | 2,298,286 |
| — Financial assets at amortised cost | 3,138,742 | 3,111,670 |
| Investments in subsidiaries | 152,531 | 150,947 |
| Investments in associates and joint ventures | 10,101 | 9,026 |
| Consolidated structured entities | 202,005 | 202,005 |
| Property and equipment | 69,711 | 69,827 |
| Construction in progress | 2,984 | 4,896 |
| Investment properties | 2,727 | 2,754 |
| Deferred income tax assets | 57,276 | 72,886 |
| Other assets | 106,132 | 120,157 |
| **Total assets** | 30,459,485 | 28,332,864 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 49 The Bank's statement of financial position and changes in equity (Continued)

#### *49.1 The Bank's statement of financial position (Continued)*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| **LIABILITIES** | | |
| Due to banks and other financial institutions | 2,920,183 | 2,302,639 |
| Due to central banks | 1,000,784 | 1,116,808 |
| Bank notes in circulation | 10,445 | 10,228 |
| Placements from banks and other financial institutions | 524,974 | 382,890 |
| Derivative financial liabilities | 118,107 | 98,744 |
| Due to customers | 21,165,961 | 20,127,975 |
| Bonds issued | 1,944,314 | 1,699,689 |
| Current tax liabilities | 21,677 | 53,880 |
| Retirement benefit obligations | 1,594 | 1,676 |
| Deferred income tax liabilities | 69 | 53 |
| Other liabilities | 252,237 | 188,102 |
| **Total liabilities** | 27,960,345 | 25,982,684 |
| **EQUITY** | | |
| Share capital | 294,388 | 294,388 |
| Other equity instruments | 409,513 | 399,505 |
| — Preference shares | 119,550 | 119,550 |
| — Perpetual bonds | 289,963 | 279,955 |
| Capital reserve | 132,329 | 132,345 |
| Other comprehensive income | 82,858 | 31,315 |
| Statutory reserves | 270,736 | 249,808 |
| General and regulatory reserves | 401,271 | 365,416 |
| Undistributed profits | 908,045 | 877,403 |
| **Total equity** | 2,499,140 | 2,350,180 |
| **Total equity and liabilities** | 30,459,485 | 28,332,864 |

Approved and authorised for issue by the Board of Directors on 26 March 2025.

| **GE Haijiao** | **ZHANG Hui** |
|---|---|
| *Director* | *Director* |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 49 The Bank's statement of financial position and changes in equity (Continued)

#### *49.2 The Bank's statement of changes in equity*

| | | Other equity instruments | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Preference shares | Perpetual bonds | Capital reserve | Other comprehensive income | Statutory reserves | General and regulatory reserves | Undistributed profits | Total |
| As at 1 January 2024 | 294,388 | 119,550 | 279,955 | 132,345 | 31,315 | 249,808 | 365,416 | 877,403 | 2,350,180 |
| Total comprehensive income | – | – | – | – | 51,280 | – | – | 209,143 | 260,423 |
| Capital contribution and reduction by other equity instruments holders | – | – | 10,008 | (12) | – | – | – | – | 9,996 |
| Appropriation to statutory reserves | – | – | – | – | – | 20,928 | – | (20,928) | – |
| Appropriation to general and regulatory reserves | – | – | – | – | – | – | 35,855 | (35,855) | – |
| Dividends | – | – | – | – | – | – | – | (121,455) | (121,455) |
| Other comprehensive income transferred to retained earnings | – | – | – | – | 263 | – | – | (263) | – |
| Other | – | – | – | (4) | – | – | – | – | (4) |
| As at 31 December 2024 | 294,388 | 119,550 | 289,963 | 132,329 | 82,858 | 270,736 | 401,271 | 908,045 | 2,499,140 |

(Amounts in millions of Renminbi, unless otherwise stated)

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

## 49 The Bank's statement of financial position and changes in equity (Continued)

### *49.2 The Bank's statement of changes in equity (Continued)*

| | | Other equity instruments | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Preference shares | Perpetual bonds | Capital reserve | Other comprehensive income | Statutory reserves | General and regulatory reserves | Undistributed profits | Total |
| As at 1 January 2023 | 294,388 | 119,550 | 249,955 | 132,331 | 9,658 | 228,944 | 324,911 | 814,533 | 2,174,270 |
| Total comprehensive income | – | – | – | – | 21,248 | – | – | 208,242 | 229,490 |
| Capital contribution by other equity instruments holders | – | – | 30,000 | (2) | – | – | – | – | 29,998 |
| Appropriation to statutory reserves | – | – | – | – | – | 20,865 | – | (20,865) | – |
| Appropriation to general and regulatory reserves | – | – | – | – | – | – | 40,505 | (40,505) | – |
| Dividends | – | – | – | – | – | – | – | (83,594) | (83,594) |
| Other comprehensive income transferred to retained earnings | – | – | – | – | 5 | – | – | (5) | – |
| Other | – | – | – | 16 | 404 | (1) | – | (403) | 16 |
| As at 31 December 2023 | 294,388 | 119,550 | 279,955 | 132,345 | 31,315 | 249,808 | 365,416 | 877,403 | 2,350,180 |

## V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

### 50 Events after the financial reporting date

***Redemption of Offshore Preference Shares (Second Tranche)***

With the approvals of the NFRA, the Bank redeemed all 197,865,300 Offshore Preference Shares (Second Tranche) on 4 March 2025. The Bank fully paid the nominal value of the Offshore Preference Shares and the dividends declared but not yet distributed, totalling USD2,921,520,000.

## VI FINANCIAL RISK MANAGEMENT

### 1 Overview

The Group analyses, identifies, monitors and reports risks by formulating risk management policies, setting appropriate risk limits and control procedures, and using relevant information systems. It also regularly reviews its risk management policies and related systems to reflect new changes in markets, products and the industry's best practices.

The financial risks the Group is exposed to mainly include credit risk, market risk and liquidity risk. Among them, market risk includes exchange rate risk, interest rate risk and other price risks.

The Board of Directors of the Group assumes the ultimate responsibility for comprehensive risk management. The Board of Directors authorises its subordinate Risk Policy Committee, Audit Committee and US Risk and Management Committee to perform part of the responsibilities of comprehensive risk management. The Board of Supervisors undertakes the supervision responsibility for comprehensive risk management, and is responsible for supervising and inspecting the duty performance of the Board of Directors and senior management in respect of risk management and supervising relevant rectification. Senior management is responsible for conducting comprehensive risk management and implementing resolutions of the Board of Directors. The Risk Management Department, Credit Approval Department, Credit Management and Special Assets Resolution Department and other relevant functional departments are responsible for managing financial risks.

Branches and sub-branches are responsible for the comprehensive risk management of business departments at the same level and institutions at lower levels, and shall report their risk position to the Risk Management Department of the Head Office. The subsidiaries shall establish and improve their respective comprehensive risk management systems and carry out comprehensive risk management-related work in accordance with relevant regulatory guidelines and the requirements of policy.

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk

The Group takes on exposure to credit risk, which refers to the risk of loss arising from the failure or unwillingness of a borrower or counterparty to fulfill its debt obligations, including the default risk of a borrower's failure to repay its debt when it is due, and the downgrading risk due to a deterioration in credit quality. Credit risk is one of the most significant risks for the Group's business.

Credit risk exposures arise principally in lending activities and debt securities investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments, bill acceptance, letters of guarantee and letters of credit.

### *2.1 Credit risk management*

*(1) Loans and advances to customers and off-balance sheet commitments*

The Group identifies and monitors credit risk collectively based on industry, geography and customer type. Management periodically reviews various elements of the Group's credit risk management, in the context of loan portfolio growth, the changing mix and concentration of assets, and the evolving risk profile of the credit portfolio. From time to time, in this regard, refinements are made to the Group's credit risk management processes to most effectively manage the effects of these changes on the Group's credit risk. These refinements include, among other things, adjustments to portfolio level controls, such as revisions to lists of approved borrowers, industry limits and underwriting criteria. Where circumstances related to specific loans or a group of loans increase the Bank's credit risk, actions are taken, to the extent possible, to strengthen the security of the Group's position. The actions may include obtaining additional guarantees or collateral.

The Group measures and manages the credit quality of loans and advances to corporate and personal customers based on the *Measures for Risk Classification of Financial Assets of Commercial Banks* (the "Measures"), and classifies corporate and personal loans and advances into five categories: pass, special-mention, substandard, doubtful and loss, among which loans classified in the substandard, doubtful and loss categories are regarded as non-performing loans. In addition, off-balance sheet commitments with credit exposure are also assessed and categorised with reference to the Measures. For operations in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions, where local regulations and requirements are different from the Measures, credit assets are classified with prudently not lower than the Group's management requirements in consideration of local regulations and requirements.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.1 Credit risk management (Continued)*

*(1) Loans and advances to customers and off-balance sheet commitments (Continued)*

The five categories of loans are defined as follows:

Pass: Debtors are able to honour the contract terms and there is no objective evidence that the principal, interest, or gains cannot be repaid in full and on time.

Special – mention: Although there are factors that may have a negative impact on the debtors ability to meet their contractual obligations, the debtors are currently still able to pay the principal, interest, or gains.

Substandard: Debtors are considered unable to repay the principal, interest, or gains in full, or a credit impairment loss has been incurred in respect of the financial assets.

Doubtful: Debtors have been unable to repay the principal, interest, or gains in full, and a significant credit impairment loss has been incurred in respect of the financial assets.

Loss: Financial assets are not expected to be recovered in their entirety or only a small portion can be recovered, after all possible measures are taken.

The Group strictly follows the regulatory requirements in five-category loan classifications management, and makes timely adjustments to these classifications as necessary according to customers' operational and financial positions, together with other factors that may affect the repayment of the loans.

In accordance with the New Basel Capital Accord, the Group implemented a domestic corporate customer credit rating system based on the probability default ("PD") model. The domestic corporate customer PD model uses the principle of logistic regression to predict the PD for customers in the next 12 months. The risk rating of the customer is obtained through the relevant mapping relationship table according to the calculated PD value. The corporate customer credit ratings are classified into fifteen grades as AAA, AA, A, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B-, CCC, CC, C, and D. Credit grade D equates to defaulted customers while the others are assigned to non-defaulted customers. The Group performs centralised review on customer credit ratings on an annual basis in addition to making adjustments as necessary according to the customers' operational and financial conditions. The Group conducts back-testing of the rating model for domestic corporate customers, according to the customers' actual defaults, so that the model calculation results are closer to the objective facts.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.1 Credit risk management (Continued)*

*(2) Due from, placements with and loans to banks and other financial institutions*

The Group manages the credit quality of due from, placements with and loans to banks and other financial institutions considering the size, financial position and the internal and external credit rating of banks and financial institutions. During the business lifetime, the Group conducts comprehensive analysis, monitors and manages internal and external factors that may affect counterparties' ability to operate on on-going basis and capacity to bear risk, and takes corresponding control measures.

*(3) Debt securities and derivatives*

Credit risk within debt securities arises from issuers default rates and bond loss given default, as well as changes in the credit of underlying assets.

The Group manages the credit risk within debt securities by monitoring the external credit rating of the securities, the internal credit rating of the issuers of debt securities, and the credit quality of underlying assets of securitisation products, changes in financial statements, industry and sector performance, loss coverage ratios and counterparty risk, to identify exposure to credit risk.

The Group has established policies to manage the net credit risk exposures for derivatives. The current credit exposure equals to the fair value of those derivatives where the fair value changes are favourable to the Group. Credit risk exposures for derivatives are included as part of the credit risk limit management for financial institutions and customers. Exposures may also be mitigated by obtaining collateral or other pledges of assets.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.2 Credit risk limit control and mitigation policies*

The Group manages limits and controls concentrations of credit risk in particular, to individual customers and to industries.

*(1) Credit risk limits and controls*

(i) Loans and advances and off-balance sheet commitments

In order to manage the exposure to credit risk, the Group performs standardised management of credit policies and procedures. The credit approval processes for both corporate loans and personal loans can be broadly divided into three stages: (1) credit origination and assessment; (2) credit review and approval; and (3) fund disbursement and post-disbursement management.

Credit applications for corporate customers in the Chinese mainland must be approved by the delegated credit application approvers at the Head Office and tier 1 branch level in the Chinese mainland, except for loans automatically approved online and certain Credit Factory customers applications, low risk loans and advances approved by the delegated credit application approvers at tier 2 branch level. The exposure to any single borrower, including banks, is restricted by approved total credit limits covering on and off-balance sheet exposures.

Personal loans in the Chinese mainland must be approved by delegated approvers at branch level in the Chinese mainland, except for loans automatically approved online.

The Head Office also oversees the risk management of the branches in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. In particular, any credit application at these branches exceeding the authorisation limits is required to be submitted to the Head Office for approval.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing aforementioned credit limit where appropriate.

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.2 Credit risk limit control and mitigation policies (Continued)*

*(1) Credit risk limits and controls (Continued)*

(ii) Debt securities and derivatives

The Group is also exposed to credit risk through debt securities investments and derivative trading activities. Credit limits are established based on type of instruments and the credit quality of counterparties, securities issuers and the securities, and set limits are actively monitored.

*(2) Credit risk mitigation policies*

(i) Collateral and guarantees

The Group has a range of policies and practices intended to mitigate credit risk. The most prevalent of these is obtaining margin deposits, collateral and guarantees. The Group implements guidelines on the acceptability of specific classes of collateral and coverage rate upper limits. The amount of acceptable collateral at the time of loan origination is determined by the Credit Management and Special Assets Resolution Department and is subject to coverage rate upper limits based on types of collateral. The value of collateral is monitored on an ongoing basis.

Mortgages to retail customers are generally collateralised by mortgages over residential properties. Whether or not other loans require collateral is dependent on the nature of the loan and the Group's credit management requirements.

For loans guaranteed by a third party guarantor, the Group will assesses the guarantor's credit rating, financial condition, credit history and ability to meet its obligations.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills generally do not have collateral, with the exception of certain asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Collateral is also held as part of reverse repurchase agreements. Under some agreements in which the title of collateral is transferred, the Group is permitted to sell or repledge collateral in the absence of default by the provider of the collateral. Details of collateral accepted and which the Group is obligated to return are disclosed in Note V.42.3.

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.2 Credit risk limit control and mitigation policies (Continued)*

*(2) Credit risk mitigation policies (Continued)*

(ii) Master netting agreements

The Group may further reduce credit risk by entering into master netting agreements with counterparties. Master netting agreements do not necessarily result in the offsetting of assets and liabilities in the statement of financial position, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting agreement to the extent that if an event of default with respect to a counterparty or a termination event occurs, all amounts with the counterparty under the master netting agreement are terminated and settled on a net basis.

### *2.3 Measurement of ECL*

The Group conducts assessments of ECL with reference to forward-looking information and uses a number of models and assumptions in its measurement of expected credit losses. These models and assumptions relate to the future macroeconomic conditions and borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group uses judgements, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards which include:

- Segmentation of financial instruments based on credit risk characteristics for losses
- Criteria for determining significant increases in credit risk
- Definition of default and credit-impaired financial assets
- Parameters for measuring ECL
- Forward-looking information

There were no significant changes in the estimation techniques and such assumptions during the reporting period.

The Bank has not applied management overlay.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.3 Measurement of ECL (Continued)*

*(1) Segmentation of financial instruments based on credit risk characteristics for losses*

When measuring ECL on a collective basis, the Group classifies its credit risk exposures into corporate business, interbank business, personal loans, credit cards, and bond business exposures according to its business type, and into domestic and overseas business exposures according to its business regions. When further subdividing the credit risk exposures, the Group obtains sufficient information and segments them according to credit risk characteristics such as product types, customer types, customer risk factors, usage of funds, etc. and then calculates ECL for exposures with shared risk characteristics on a collective basis to ensure its statistical reliability.

*(2) Criteria for determining significant increases in credit risk*

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each financial reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on the historical data, external credit risk rating, and forward-looking information. Based on an individual financial instrument or a group of financial instruments with shared credit risk characteristics, the Group compares the risk of default of financial instruments at the financial reporting date with that at the date of initial recognition in order to determine the changes in default risk over the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

Credit risk is deemed to increase significantly when the forward-looking lifetime PD of an exposure increases by certain predetermined thresholds since its initial recognition. Specifically, such thresholds are met when such PD increases by a certain absolute level as well as by a relative percentage. Such thresholds vary based on the forward-looking lifetime PD at the time of initial recognition.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.3 Measurement of ECL (Continued)*

*(2) Criteria for determining significant increases in credit risk (Continued)*

Qualitative criteria

- Significant adverse changes in debtor's operations or financial status
- Migrated into the Special Mention category within the five-category loan classification
- Being included in the watch-list of the Group

Backstop criteria

- Borrowers' contractual payments (including principal or interest) are more than 30 days past due.

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.3 Measurement of ECL (Continued)*

*(3) Definition of default and credit-impaired financial assets*

The Group considers a financial instrument as defaulted when it is credit-impaired. The standard adopted by the Group in determining whether a financial asset is credit-impaired is consistent with the internal credit risk management objectives, taking into account quantitative and qualitative criteria. When the Group assesses whether a credit impairment occurred, the following key factors are considered:

- Significant financial difficulty of the issuer or borrower
- A breach of contract, such as a default or delinquency in interest or principal payments
- The Group granting a concession to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, that the Group would not otherwise consider
- It is becoming probable that the borrower will enter into bankruptcy or other financial re-organisation
- The disappearance of an active market for that financial asset because of financial difficulties
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses
- The borrower is more than 90 days overdue for any of the principal, advances, interest or investments in corporate bonds of the Group

A financial asset becoming credit-impaired may be caused by the combined effect of several events, but not a single discrete event.

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.3 Measurement of ECL (Continued)*

*(4) Parameters for measuring ECL*

According to whether the credit risk has significantly increased and whether the asset is credit-impaired, the Group measures the impairment allowance for different assets with ECL of the next 12 months or throughout the entire lifetime. The key parameters in ECL measurement include PD, loss given default (“LGD”) and exposure at default (“EAD”). Based on the current New Basel Capital Accord used in risk management and the requirements of IFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral) and forward-looking information in order to establish the models for estimating PD, LGD and EAD in accordance with the requirement of IFRS 9.

Relevant definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or over the remaining lifetime;

- LGD refers to the Group’s expectation of the extent of the loss resulting from the defaulted exposure. The LGD varies depending on the type of counterparty, the method and priority of the recourse, and the type of collateral;

- EAD is based on the amount that the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

For credit-impaired financial assets with individual amount that are relatively significant, the Group mainly evaluates future cash flows (including the recoverable value of the collateral held) in different circumstances on an individual basis. Expected credit losses are measured as the differences between the present value of estimated cash flows discounted at the original effective interest rate (credit adjusted effective interest rate for purchased or originated credit-impaired financial assets) and the asset’s gross carrying amount. Any adjustment is recognised in profit or loss as an impairment loss or reversal. The estimation of future cash flows is critical for a credit-impaired loan for which expected credit losses are measured on an individual basis. Factors affecting this estimate include, among other things, the financial condition of individual borrowers, risk mitigation methods, industry trends and the future performance of individual borrowers and guarantors, and cash flows from the sale of collateral.

The Group regularly conducts re-examination, parameter update and model validation of the ECL models.

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.3 Measurement of ECL (Continued)*

#### *(5) Forward-looking information*

The Group conducted an assessment of ECL according to forward-looking information and used a number of models and assumptions in its measurement of ECL. In assessing the ECL as at 31 December 2024, the Group has taken into account the impact of changes in current economic environment to the ECL model, including: individual borrower's operating and financial conditions and degree of impact from the economic environment, environmental and climate change impact, and industry-specific risks.

The Group identifies key macroeconomic indicators that affect the credit risk and ECL of various business types, such as country or region local GDP, Completion Index of Fixed Assets Investment, Producer Price Index, Home Price Index, Consumer Price Index, etc. based on the statistical analysis of historical data.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group applies experts' judgement in this analysis, and according to the result, the Group predicts these economic indicators regularly for respective regions and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

The Group conducts statistical analysis using experts' judgement to determine multiple economic scenarios and their respective weightings. In addition to the baseline scenario, optimistic scenario and pessimistic scenario, the Group also considers situation under stress. As at 31 December 2024, the baseline scenario has the highest weighting with the remaining individual scenarios having a weighting of lower than 30%. The Group measures its credit loss allowance based on probability weighted ECL under different scenarios.

The Group updated relevant forward-looking parameters used in the models measuring ECL based on changes in macroeconomic environment during the report period. Amongst these parameters, the annualized value of core one adopted by Chinese mainland in assessing its ECL as of 31 December 2024 under the baseline scenario is as follows:

| **Indicator** | **Range** |
|---|---|
| Average Growth Rate of China's GDP in 2024-2026 | Around 5.0% |

The Group conducts sensitivity analysis on the weightings of multiple economic scenarios used in forward-looking measurement. As at 31 December 2024, when the weighting of optimistic scenario or pessimistic scenario increases by 10%, and the weighting of baseline scenario decreases by 10%, the respective decrease or increase in loan loss allowance will not exceed 5%.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.4 Maximum exposure to credit risk before collateral held or other credit enhancements*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Credit risk exposures relating to on-balance sheet financial assets are as follows: | | |
| Due from banks and other financial institutions | 513,291 | 501,284 |
| Balances with central banks | 2,467,857 | 2,941,140 |
| Placements with and loans to banks and other financial institutions | 1,442,072 | 1,233,888 |
| Government certificates of indebtedness for bank notes issued | 217,405 | 203,176 |
| Derivative financial assets | 183,177 | 146,750 |
| Loans and advances to customers, net | 21,055,282 | 19,476,871 |
| Financial investments | | |
| — Financial assets at fair value through profit or loss | 379,594 | 347,708 |
| — Financial assets at fair value through other comprehensive income | 4,351,108 | 3,217,563 |
| — Financial assets at amortised cost | 3,371,035 | 3,360,183 |
| Other assets | 88,224 | 93,855 |
| Subtotal | 34,069,045 | 31,522,418 |
| Credit risk exposures relating to off-balance sheet items are as follows: | | |
| Letters of guarantee issued | 1,212,109 | 1,197,872 |
| Loan commitments and other credit commitments | 2,497,328 | 5,596,333 |
| Subtotal | 3,709,437 | 6,794,205 |
| Total | 37,778,482 | 38,316,623 |

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.4 Maximum exposure to credit risk before collateral held or other credit enhancements (Continued)*

The table above represents a worst case scenario of credit risk exposure of the Group as at 31 December 2024 and 2023, without taking into account any collateral held, master netting agreements or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

As at 31 December 2024, 55.73% of the Group's total maximum credit exposure is derived from loans and advances to customers (31 December 2023: 50.83%) and 21.35% represents investments in debt securities (31 December 2023: 17.99%).

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances*

Analysis of loans and advances to customers (accrued interest excluded) by geographical area, customer type, industry, collateral type and analysis of impaired and overdue loans and advances to customers are presented below:

*(1) Concentrations of risk for loans and advances to customers*

(i) Analysis of loans and advances to customers by geographical area

| **Group** | **As at 31 December** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | **Amount** | **% of total** | **Amount** | **% of total** |
| Chinese mainland | 18,498,005 | 85.86% | 16,836,884 | 84.57% |
| Hong Kong (China), Macao (China) and Taiwan (China) | 2,000,471 | 9.29% | 2,011,421 | 10.11% |
| Other countries and regions | 1,045,109 | 4.85% | 1,059,682 | 5.32% |
| Total | 21,543,585 | 100.00% | 19,907,987 | 100.00% |

| **Chinese mainland** | **As at 31 December** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | **Amount** | **% of total** | **Amount** | **% of total** |
| Northern China | 2,697,846 | 14.58% | 2,405,566 | 14.29% |
| Northeastern China | 693,359 | 3.75% | 642,274 | 3.81% |
| Eastern China | 7,600,261 | 41.09% | 6,862,383 | 40.76% |
| Central and Southern China | 5,084,339 | 27.49% | 4,740,324 | 28.15% |
| Western China | 2,422,200 | 13.09% | 2,186,337 | 12.99% |
| Total | 18,498,005 | 100.00% | 16,836,884 | 100.00% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(1) Concentrations of risk for loans and advances to customers (Continued)*

(ii) Analysis of loans and advances to customers by customer type

| | Chinese mainland | Hong Kong (China), Macao (China) and Taiwan (China) | Other countries and regions | Total |
|---|---|---|---|---|
| **As at 31 December 2024** | | | | |
| Corporate loans and advances | | | | |
| — Trade bills | 1,845,092 | 57,996 | 108,770 | 2,011,858 |
| — Other | 10,621,217 | 1,214,105 | 871,369 | 12,706,691 |
| Personal loans | 6,031,696 | 728,370 | 64,970 | 6,825,036 |
| Total | 18,498,005 | 2,000,471 | 1,045,109 | 21,543,585 |
| **As at 31 December 2023** | | | | |
| Corporate loans and advances | | | | |
| — Trade bills | 1,716,122 | 77,798 | 107,258 | 1,901,178 |
| — Other | 9,292,108 | 1,222,007 | 882,729 | 11,396,844 |
| Personal loans | 5,828,654 | 711,616 | 69,695 | 6,609,965 |
| Total | 16,836,884 | 2,011,421 | 1,059,682 | 19,907,987 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(1) Concentrations of risk for loans and advances to customers (Continued)*

(iii) Analysis of loans and advances to customers by industry

| Group | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Amount | % of total | Amount | % of total |
| **Corporate loans and advances** | | | | |
| Commerce and services | 3,635,583 | 16.86% | 3,237,900 | 16.26% |
| Manufacturing | 3,034,553 | 14.09% | 2,638,582 | 13.25% |
| Transportation, storage and postal services | 2,420,419 | 11.23% | 2,139,206 | 10.75% |
| Real estate | 1,542,698 | 7.16% | 1,468,347 | 7.38% |
| Production and supply of electricity, heating, gas and water | 1,535,592 | 7.13% | 1,293,581 | 6.50% |
| Financial services | 772,646 | 3.59% | 904,582 | 4.54% |
| Construction | 534,358 | 2.48% | 449,451 | 2.26% |
| Water, environment and public utility management | 482,614 | 2.24% | 469,720 | 2.36% |
| Mining | 371,662 | 1.73% | 305,992 | 1.54% |
| Public utilities | 255,764 | 1.19% | 235,130 | 1.18% |
| Other | 132,660 | 0.62% | 155,531 | 0.78% |
| Subtotal | 14,718,549 | 68.32% | 13,298,022 | 66.80% |
| **Personal loans** | | | | |
| Mortgages | 4,660,914 | 21.63% | 4,786,255 | 24.04% |
| Credit cards | 606,717 | 2.82% | 563,994 | 2.83% |
| Other | 1,557,405 | 7.23% | 1,259,716 | 6.33% |
| Subtotal | 6,825,036 | 31.68% | 6,609,965 | 33.20% |
| Total | 21,543,585 | 100.00% | 19,907,987 | 100.00% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(1) Concentrations of risk for loans and advances to customers (Continued)*

(iii) Analysis of loans and advances to customers by industry (Continued)

| Chinese mainland | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Amount | % of total | Amount | % of total |
| **Corporate loans and advances** | | | | |
| Commerce and services | 3,184,738 | 17.22% | 2,755,264 | 16.36% |
| Manufacturing | 2,732,283 | 14.77% | 2,329,950 | 13.84% |
| Transportation, storage and postal services | 2,227,840 | 12.04% | 1,976,166 | 11.74% |
| Real estate | 967,297 | 5.23% | 874,747 | 5.20% |
| Production and supply of electricity, heating, gas and water | 1,272,285 | 6.88% | 1,046,809 | 6.22% |
| Financial services | 538,497 | 2.91% | 660,091 | 3.92% |
| Construction | 493,051 | 2.67% | 397,588 | 2.36% |
| Water, environment and public utility management | 476,392 | 2.57% | 455,276 | 2.70% |
| Mining | 259,771 | 1.40% | 217,551 | 1.29% |
| Public utilities | 227,207 | 1.23% | 221,595 | 1.32% |
| Other | 86,948 | 0.47% | 73,193 | 0.43% |
| Subtotal | 12,466,309 | 67.39% | 11,008,230 | 65.38% |
| **Personal loans** | | | | |
| Mortgages | 4,089,266 | 22.11% | 4,168,263 | 24.76% |
| Credit cards | 593,403 | 3.21% | 551,366 | 3.27% |
| Other | 1,349,027 | 7.29% | 1,109,025 | 6.59% |
| Subtotal | 6,031,696 | 32.61% | 5,828,654 | 34.62% |
| Total | 18,498,005 | 100.00% | 16,836,884 | 100.00% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(1) Concentrations of risk for loans and advances to customers (Continued)*

(iv) Analysis of loans and advances to customers by collateral type

| **Group** | **As at 31 December** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | **Amount** | **% of total** | **Amount** | **% of total** |
| Unsecured loans | 8,303,987 | 38.54% | 7,243,277 | 36.38% |
| Guaranteed loans | 2,962,636 | 13.75% | 2,547,618 | 12.80% |
| Loans secured by mortgages | 8,082,236 | 37.52% | 7,910,628 | 39.74% |
| Pledged loans | 2,194,726 | 10.19% | 2,206,464 | 11.08% |
| Total | 21,543,585 | 100.00% | 19,907,987 | 100.00% |

| **Chinese mainland** | **As at 31 December** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | **Amount** | **% of total** | **Amount** | **% of total** |
| Unsecured loans | 6,999,964 | 37.84% | 5,938,299 | 35.27% |
| Guaranteed loans | 2,594,743 | 14.03% | 2,140,243 | 12.71% |
| Loans secured by mortgages | 7,096,523 | 38.36% | 6,932,717 | 41.18% |
| Pledged loans | 1,806,775 | 9.77% | 1,825,625 | 10.84% |
| Total | 18,498,005 | 100.00% | 16,836,884 | 100.00% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(2) Analysis of loans and advances to customers by impairment status*

(i) Impaired loans and advances by geographical area

| Group | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Amount | % of total | Impaired loan ratio | Amount | % of total | Impaired loan ratio |
| Chinese mainland | 216,089 | 80.40% | 1.17% | 207,297 | 81.87% | 1.23% |
| Hong Kong (China), Macao (China) and Taiwan (China) | 38,304 | 14.25% | 1.91% | 30,985 | 12.24% | 1.54% |
| Other countries and regions | 14,388 | 5.35% | 1.38% | 14,923 | 5.89% | 1.41% |
| Total | 268,781 | 100.00% | 1.25% | 253,205 | 100.00% | 1.27% |

| Chinese mainland | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Amount | % of total | Impaired loan ratio | Amount | % of total | Impaired loan ratio |
| Northern China | 31,827 | 14.73% | 1.18% | 35,240 | 17.00% | 1.46% |
| Northeastern China | 11,846 | 5.48% | 1.71% | 14,134 | 6.82% | 2.20% |
| Eastern China | 68,429 | 31.67% | 0.90% | 61,761 | 29.79% | 0.90% |
| Central and Southern China | 73,653 | 34.08% | 1.45% | 63,779 | 30.77% | 1.35% |
| Western China | 30,334 | 14.04% | 1.25% | 32,383 | 15.62% | 1.48% |
| Total | 216,089 | 100.00% | 1.17% | 207,297 | 100.00% | 1.23% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(2) Analysis of loans and advances to customers by impairment status (Continued)*

(ii) Impaired loans and advances by customer type

| Group | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Amount | % of total | Impaired loan ratio | Amount | % of total | Impaired loan ratio |
| Corporate loans and advances | 207,644 | 77.25% | 1.41% | 206,760 | 81.66% | 1.55% |
| Personal loans | 61,137 | 22.75% | 0.90% | 46,445 | 18.34% | 0.70% |
| Total | 268,781 | 100.00% | 1.25% | 253,205 | 100.00% | 1.27% |

| Chinese mainland | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Amount | % of total | Impaired loan ratio | Amount | % of total | Impaired loan ratio |
| Corporate loans and advances | 157,394 | 72.84% | 1.26% | 162,951 | 78.61% | 1.48% |
| Personal loans | 58,695 | 27.16% | 0.97% | 44,346 | 21.39% | 0.76% |
| Total | 216,089 | 100.00% | 1.17% | 207,297 | 100.00% | 1.23% |

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(2) Analysis of loans and advances to customers by impairment status (Continued)*

(iii) Impaired loans and advances by geographical area and industry

| | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Amount | % of total | Impaired loan ratio | Amount | % of total | Impaired loan ratio |
| **Chinese mainland** | | | | | | |
| Corporate loans and advances | | | | | | |
| Commerce and services | 43,274 | 16.10% | 1.36% | 41,312 | 16.32% | 1.50% |
| Manufacturing | 29,485 | 10.97% | 1.08% | 33,565 | 13.26% | 1.44% |
| Transportation, storage and postal services | 6,138 | 2.28% | 0.28% | 8,780 | 3.47% | 0.44% |
| Real estate | 47,799 | 17.78% | 4.94% | 48,172 | 19.02% | 5.51% |
| Production and supply of electricity, heating, gas and water | 11,562 | 4.30% | 0.91% | 12,794 | 5.05% | 1.22% |
| Financial services | 145 | 0.05% | 0.03% | 161 | 0.06% | 0.02% |
| Construction | 7,047 | 2.62% | 1.43% | 4,295 | 1.70% | 1.08% |
| Water, environment and public utility management | 5,258 | 1.96% | 1.10% | 4,973 | 1.96% | 1.09% |
| Mining | 2,401 | 0.90% | 0.92% | 3,080 | 1.22% | 1.42% |
| Public utilities | 2,904 | 1.08% | 1.28% | 4,260 | 1.68% | 1.92% |
| Other | 1,381 | 0.52% | 1.59% | 1,559 | 0.62% | 2.13% |
| Subtotal | 157,394 | 58.56% | 1.26% | 162,951 | 64.36% | 1.48% |
| Personal loans | | | | | | |
| Mortgages | 25,141 | 9.36% | 0.61% | 19,928 | 7.87% | 0.48% |
| Credit cards | 10,272 | 3.82% | 1.73% | 10,114 | 3.99% | 1.83% |
| Other | 23,282 | 8.66% | 1.73% | 14,304 | 5.65% | 1.29% |
| Subtotal | 58,695 | 21.84% | 0.97% | 44,346 | 17.51% | 0.76% |
| Total for Chinese mainland | 216,089 | 80.40% | 1.17% | 207,297 | 81.87% | 1.23% |
| **Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions** | 52,692 | 19.60% | 1.73% | 45,908 | 18.13% | 1.49% |
| Total | 268,781 | 100.00% | 1.25% | 253,205 | 100.00% | 1.27% |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.5 Loans and advances (Continued)*

*(2) Analysis of loans and advances to customers by impairment status (Continued)*

(iv) Impaired loans and advances and related allowance by geographical area

| | Impaired loans | Allowance for impairment losses | Net |
|---|---|---|---|
| **As at 31 December 2024** | | | |
| Chinese mainland | 216,089 | (161,597) | 54,492 |
| Hong Kong (China), Macao (China), Taiwan (China) | 38,304 | (16,490) | 21,814 |
| Other countries and regions | 14,388 | (8,444) | 5,944 |
| Total | 268,781 | (186,531) | 82,250 |
| **As at 31 December 2023** | | | |
| Chinese mainland | 207,297 | (155,812) | 51,485 |
| Hong Kong (China), Macao (China), Taiwan (China) | 30,985 | (15,709) | 15,276 |
| Other countries and regions | 14,923 | (8,341) | 6,582 |
| Total | 253,205 | (179,862) | 73,343 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.5 Loans and advances (Continued)*

*(2) Analysis of loans and advances to customers by impairment status (Continued)*

(v) Within the impaired corporate loans and advances, the portions covered and not covered by collateral held are as follows:

| | Group | | Chinese mainland | |
|---|---|---|---|---|
| | As at 31 December 2024 | As at 31 December 2023 | As at 31 December 2024 | As at 31 December 2023 |
| Portion covered | 153,390 | 149,614 | 121,993 | 126,946 |
| Portion not covered | 54,254 | 57,146 | 35,401 | 36,005 |
| Total | 207,644 | 206,760 | 157,394 | 162,951 |

Collateral of impaired corporate loans and advances includes land, buildings, equipment and others.

*(3) Rescheduled loans and advances*

The Group adopts the *Measures for Risk Classification of Financial Assets of Commercial Banks* (CBIRC PBC Order [2023] No. 1) for its rescheduled loans and advances to customers.

As at 31 December 2024 and 2023, the amount of Group's rescheduled loans and advances that were not more than 90 days overdue was not material.

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(4) Overdue loans and advances to customers*

(i) Analysis of overdue loans and advances to customers by collateral type and overdue days

**Group**

| | Past due up to 90 days | Past due 91 to 360 days | Past due 361 Days to 3 years | Past due over 3 years | Total |
|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | |
| Unsecured loans | 16,252 | 20,707 | 10,515 | 1,987 | 49,461 |
| Guaranteed loans | 4,695 | 8,903 | 7,611 | 934 | 22,143 |
| Loans secured by mortgages | 51,334 | 63,721 | 38,115 | 5,744 | 158,914 |
| Pledged loans | 5,504 | 6,348 | 12,114 | 1,615 | 25,581 |
| Total | 77,785 | 99,679 | 68,355 | 10,280 | 256,099 |
| **As at 31 December 2023** | | | | | |
| Unsecured loans | 18,216 | 16,618 | 6,617 | 742 | 42,193 |
| Guaranteed loans | 5,957 | 5,822 | 6,557 | 1,477 | 19,813 |
| Loans secured by mortgages | 45,519 | 42,856 | 35,487 | 3,139 | 127,001 |
| Pledged loans | 3,971 | 11,313 | 6,265 | 73 | 21,622 |
| Total | 73,663 | 76,609 | 54,926 | 5,431 | 210,629 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(4) Overdue loans and advances to customers (Continued)*

(i) Analysis of overdue loans and advances to customers by collateral type and overdue days (Continued)

**Chinese mainland**

| | Past due up to 90 days | Past due 91 to 360 days | Past due 361 Days to 3 years | Past due over 3 years | Total |
|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | |
| Unsecured loans | 15,148 | 18,517 | 3,811 | 1,392 | 38,868 |
| Guaranteed loans | 3,503 | 7,018 | 3,408 | 848 | 14,777 |
| Loans secured by mortgages | 46,232 | 52,974 | 32,828 | 5,376 | 137,410 |
| Pledged loans | 2,983 | 5,725 | 7,625 | 1,577 | 17,910 |
| Total | 67,866 | 84,234 | 47,672 | 9,193 | 208,965 |
| **As at 31 December 2023** | | | | | |
| Unsecured loans | 11,992 | 13,049 | 4,675 | 179 | 29,895 |
| Guaranteed loans | 2,998 | 3,686 | 3,947 | 767 | 11,398 |
| Loans secured by mortgages | 38,850 | 38,122 | 33,482 | 2,858 | 113,312 |
| Pledged loans | 2,651 | 6,583 | 4,549 | 62 | 13,845 |
| Total | 56,491 | 61,440 | 46,653 | 3,866 | 168,450 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.5 Loans and advances (Continued)*

*(4) Overdue loans and advances to customers (Continued)*

(ii) Analysis of overdue loans and advances by geographical area

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Chinese mainland | 208,965 | 168,450 |
| Hong Kong (China), Macao (China), Taiwan (China) | 37,126 | 32,322 |
| Other countries and regions | 10,008 | 9,857 |
| Subtotal | 256,099 | 210,629 |
| Percentage | 1.19% | 1.06% |
| Less: total loans and advances to customers which have been overdue for less than 3 months | (77,785) | (73,663) |
| Total loans and advances to customers which have been overdue for more than 3 months | 178,314 | 136,966 |

*(5) Loans and advances three-staging classification*

Loans and advances to customers by five-category loan classification and three-staging classification are analysed as follows:

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | **12-month ECL** | **Lifetime ECL** | | **Total** |
| | **Stage 1** | **Stage 2** | **Stage 3** | |
| Pass | 20,811,720 | 143,538 | – | 20,955,258 |
| Special-mention | – | 315,972 | – | 315,972 |
| Substandard | – | – | 68,554 | 68,554 |
| Doubtful | – | – | 94,703 | 94,703 |
| Loss | – | – | 105,474 | 105,474 |
| Total | 20,811,720 | 459,510 | 268,731 | 21,539,961 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.5 Loans and advances (Continued)*

*(5) Loans and advances three-staging classification (Continued)*

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| Pass | 19,265,099 | 96,329 | – | 19,361,428 |
| Special-mention | – | 289,716 | – | 289,716 |
| Substandard | – | – | 67,246 | 67,246 |
| Doubtful | – | – | 105,224 | 105,224 |
| Loss | – | – | 80,698 | 80,698 |
| Total | 19,265,099 | 386,045 | 253,168 | 19,904,312 |

As at 31 December 2024 and 2023, loans and advances by five-category loan classification and three-staging classification did not include loans and advances to customers measured at fair value through profit or loss.

*(6) Credit commitments*

As at 31 December 2024 and 2023, credit risk exposures of credit commitments were mainly classified under Stage 1 and categorised as "Pass" in the five-category classifications.

#### *2.6 Due from and placements with and loans to banks and other financial institutions*

Banks and other financial institutions comprise those institutions in the Chinese mainland, Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions.

The Group monitors the credit risk of counterparties by collecting and analysing counterparty information and establishing credit limits taking into account the nature, size and credit rating of counterparties.

As at 31 December 2024, the majority of the balances of due from and placements with and loans to banks and other financial institutions were banks and other financial institutions in the Chinese mainland (Note V.13 and Note V.15), the majority of the internal credit ratings of these banks and other financial institutions were above A.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.7 Debt securities*

The Group adopted a credit rating approach to manage the credit risk of the debt securities by referring to both internal and external credit rating. The carrying amounts (accrued interest excluded) of the debt investments analysed by external credit ratings at the financial reporting dates are as follows:

| | Unrated | A to AAA | Lower than A | Total |
|---|---|---|---|---|
| **As at 31 December 2024** | | | | |
| Issuers in Chinese mainland | | | | |
| — Government | 30,204 | 4,265,597 | – | 4,295,801 |
| — Public sectors and quasi-governments | 140,045 | 15,527 | – | 155,572 |
| — Policy banks | – | 847,708 | – | 847,708 |
| — Financial institutions | 12,598 | 238,157 | 245,921 | 496,676 |
| — Corporate | 90,996 | 71,281 | 40,614 | 202,891 |
| — China Orient | 152,433 | – | – | 152,433 |
| Subtotal | 426,276 | 5,438,270 | 286,535 | 6,151,081 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | | | |
| — Governments | 16,484 | 1,075,875 | 28,691 | 1,121,050 |
| — Public sectors and quasi-governments | 140,321 | 156,620 | 140 | 297,081 |
| — Financial institutions | 1,915 | 231,856 | 51,995 | 285,766 |
| — Corporate | 8,708 | 88,752 | 41,659 | 139,119 |
| Subtotal | 167,428 | 1,553,103 | 122,485 | 1,843,016 |
| Total | 593,704 | 6,991,373 | 409,020 | 7,994,097 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.7 Debt securities (Continued)*

| | Unrated | A to AAA | Lower than A | Total |
|---|---|---|---|---|
| **As at 31 December 2023** | | | | |
| Issuers in Chinese mainland | | | | |
| — Government | 18,766 | 3,745,563 | – | 3,764,329 |
| — Public sectors and quasi-governments | 149,685 | 17,486 | – | 167,171 |
| — Policy banks | – | 714,013 | – | 714,013 |
| — Financial institutions | 20,213 | 195,760 | 180,816 | 396,789 |
| — Corporate | 96,663 | 65,921 | 36,486 | 199,070 |
| — China Orient | 152,433 | – | – | 152,433 |
| Subtotal | 437,760 | 4,738,743 | 217,302 | 5,393,805 |
| Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions | | | | |
| — Governments | 2,986 | 792,999 | 24,441 | 820,426 |
| — Public sectors and quasi-governments | 90,083 | 111,590 | 346 | 202,019 |
| — Financial institutions | 2,749 | 197,001 | 67,468 | 267,218 |
| — Corporate | 9,846 | 85,364 | 42,923 | 138,133 |
| Subtotal | 105,664 | 1,186,954 | 135,178 | 1,427,796 |
| Total | 543,424 | 5,925,697 | 352,480 | 6,821,601 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 2 Credit risk (Continued)

### *2.7 Debt securities (Continued)*

The carrying amounts (accrued interest excluded) of debt investments analysed by external credit ratings and credit staging are as follows:

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| Unrated | 579,469 | 476 | 858 | 580,803 |
| A to AAA | 6,702,684 | 48 | – | 6,702,732 |
| Lower than A | 334,436 | 6,540 | 18 | 340,994 |
| Total | 7,616,589 | 7,064 | 876 | 7,624,529 |

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| Unrated | 521,717 | 3,341 | 912 | 525,970 |
| A to AAA | 5,686,339 | 41 | – | 5,686,380 |
| Lower than A | 254,106 | 22,096 | 51 | 276,253 |
| Total | 6,462,162 | 25,478 | 963 | 6,488,603 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 2 Credit risk (Continued)

#### *2.8 Derivatives*

The risk-weighted assets for counterparty credit risk ("CCR") of derivatives of the Group are calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations under the standardised approach. For derivative transactions, risk-weighted assets for CCR include the risk-weighted assets for default risk, the risk-weighted assets for credit valuation adjustment ("CVA") and the risk-weighted assets for central counterparties ("CCPs").

The risk-weighted assets for the CCR of derivatives are as follows [1]:

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Risk-weighted assets for default risk | | |
| Currency derivatives | 64,061 | 86,299 |
| Interest rate derivatives | 6,181 | 7,669 |
| Equity derivatives | 481 | 514 |
| Commodity derivatives and other | 5,740 | 6,447 |
| | 76,463 | 100,929 |
| Risk-weighted assets for CVA | 29,943 | 86,764 |
| Risk-weighted assets for CCPs | 4,829 | 12,704 |
| Total | 111,235 | 200,397 |

(1) The *Capital Rules for Commercial Banks* has been applied from 1 January 2024 and the risk-weighted assets for credit risk as at 31 December 2023 were calculated in accordance with the former *Capital Rules for Commercial Banks (Provisional)* and related regulations.

#### *2.9 Repossessed assets*

The Group obtained assets by taking possession of collateral held as security. Detailed information of such repossessed assets of the Group is disclosed in Note V.23.

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 3 Market risk

### *3.1 Overview*

The Group is exposed to market risks from on-balance and off-balance businesses, that may cause losses to the Group as a result of adverse changes in market prices of interest rate, exchange rate, equities and commodities. Market risk arises from outstanding positions in the trading and banking books. The trading book consists of positions in financial instruments and commodities that are held with trading intent or in order to hedge other elements of the trading book. The banking book consists of financial instruments not included in the trading book.

The Board of Directors shall take the ultimate responsibility for market risk management, including determination of overall risk appetite; approval of market risk management policies, procedures, strategies and limits of the Group; and overseeing the implementation of risk management strategies and policies by the senior management. The senior management is responsible for developing and implementing the market risk limit mechanism, risk management-related policies, procedures and processes; assuming and managing the Group's market risk within the risk appetite determined by the Board of Directors; as well as ensuring the compatibility of aggregate risks to business return targets.

Market risk management departments are responsible for the identification, measurement, monitoring, control and reporting of market risks on a Group basis. Business units are responsible for the monitoring and reporting of market risk within their respective business lines.

### *3.2 Market risk measurement techniques and limits*

*(1) Trading book*

For the purpose of market risk management in the trading book, the Group monitors trading book Value at Risk (VaR) limits, stress testing results and exposure limits and tracks each trading desk and dealer's observance of each limit on a daily basis.

VaR is used to estimate the largest potential loss arising from adverse market movements in a specific holding period and within a certain confidence level.

VaR is performed separately by the Bank and its major subsidiaries that are exposed to market risk, BOCHK (Holdings) and BOCI. The Bank, BOCHK (Holdings) and BOCI used a 99% level of confidence (therefore, statistical probability of 1% that actual losses could be greater than the VaR estimate) and a historical simulation model to calculate the VaR estimate. The holding period of the VaR calculations is one day. To enhance the Group's market risk management, the Group has established the market risk data mart, which enabled a group level trading book VaR calculation on a daily basis.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.2 Market risk measurement techniques and limits (Continued)*

*(1) Trading book (Continued)*

The accuracy and reliability of the VaR model is verified by daily back-testing of the VaR results. The back-testing results are regularly reported to senior management.

The Group utilises stress testing as an effective supplement to the trading book VaR analysis. Stress testing scenarios are performed based on the characteristics of trading transactions to simulate and estimate losses in adverse and exceptional market conditions. To address changes in the financial markets, the Group enhances its market risk identification capabilities by continuously adjusting and enhancing the trading book stress testing scenarios and measurement methodologies in order to capture the potential impact to transaction market prices stemming from changes in market prices and volatility.

The table below shows the VaR of the trading book by type of risk during the years ended 31 December 2024 and 2023:

Unit: USD million

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Average | High | Low | Average | High | Low |
| **The Bank's trading VaR** | | | | | | |
| Interest rate risk | 16.88 | 23.69 | 12.56 | 12.29 | 18.48 | 9.23 |
| Foreign exchange risk | 22.66 | 49.82 | 6.75 | 31.66 | 51.03 | 11.83 |
| Volatility risk | 0.67 | 1.82 | 0.30 | 0.68 | 1.60 | 0.23 |
| Commodity risk | 0.17 | 1.70 | 0.03 | 0.22 | 0.74 | 0.01 |
| **Total of the Bank's trading VaR** | 27.02 | 50.13 | 14.24 | 30.25 | 51.09 | 15.21 |

The reporting of risk in relation to bullion is included in foreign exchange risk above.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 3 Market risk (Continued)

### *3.2 Market risk measurement techniques and limits (Continued)*

*(1) Trading book (Continued)*

Unit: USD million

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Average | High | Low | Average | High | Low |
| **BOCHK (Holdings)'s trading VaR** | | | | | | |
| Interest rate risk | 13.28 | 17.89 | 8.18 | 6.56 | 10.43 | 4.08 |
| Foreign exchange risk | 5.40 | 8.22 | 3.32 | 3.69 | 6.18 | 2.11 |
| Equity risk | 0.30 | 1.02 | 0.04 | 0.69 | 1.09 | 0.04 |
| Commodity risk | 0.16 | 0.98 | 0.00 | 0.59 | 3.16 | 0.00 |
| **Total BOCHK (Holdings)'s trading VaR** | 13.72 | 19.06 | 8.68 | 7.32 | 11.26 | 4.55 |
| **BOCI's trading VaR** (i) | | | | | | |
| Equity derivatives unit | 0.32 | 0.89 | 0.14 | 0.54 | 1.96 | 0.15 |
| Fixed income unit | 0.87 | 1.75 | 0.52 | 0.85 | 1.33 | 0.53 |
| Global commodity unit | 0.30 | 0.48 | 0.20 | 0.27 | 0.48 | 0.17 |
| **Total BOCI's trading VaR** | 1.41 | 2.75 | 0.75 | 1.65 | 3.19 | 1.03 |

(i) BOCI monitors its trading VaR for equity derivatives unit, fixed income unit and global commodity unit separately, which include equity risk, interest rate risk, foreign exchange risk and commodity risk.

VaR for each risk factor is the independently derived largest potential loss in a specific holding period and within a certain confidence level due to fluctuations solely in that risk factor. The individual VaRs was not added up to the total VaR as there was a diversification effect due to correlation amongst the risk factors.

## VI FINANCIAL RISK MANAGEMENT (Continued)

## 3 Market risk (Continued)

### *3.2 Market risk measurement techniques and limits (Continued)*

*(2) Banking book*

Interest rate risk in the banking book ("IRRBB") refers to the risk of losses to a bank's economic value and to its overall earnings of banking book, arising from adverse movements in interest rates level or term structure. IRRBB mainly comes from repricing gaps between assets and liabilities in the banking book, and differences in changes in benchmarking interest rates for assets and liabilities. The Group is exposed to interest rate risk and fluctuations in market interest rates that will impact the Group's financial position.

The Group assesses IRRBB primarily through an interest rate repricing gap analysis. Interest rate repricing gap analysis measures the difference between the amount of interest-earning assets and interest-bearing liabilities that must be repriced within certain periods. The Group employs the interest rate repricing gap analysis and takes the impact of the off-balance sheet business into consideration when calculating the indications of sensitivity of earnings to changing interest rates. The interest rate gap analysis is set out in Note VI.3.3 and also covers the trading book.

Sensitivity analysis on net interest income

Sensitivity analysis on net interest income assumes that yield curves change in parallel while the structure of assets and liabilities remains unchanged, and does not take into consideration changes in customer behaviour, basis risk, etc. The Group made timely adjustments to the structure of its assets and liabilities, optimised the internal and external pricing strategy or implemented risk hedging based on changes in the market situation, and controlled the fluctuation of net interest income within an acceptable level.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.2 Market risk measurement techniques and limits (Continued)*

*(2) Banking book (Continued)*

Sensitivity analysis on net interest income (Continued)

The table below illustrates the potential impact of a 25 basis points interest rate move on the net interest income of the Group for the next 12 months from the reporting date. The actual situation may be different from the assumptions used and it is possible that actual outcomes could differ from the estimated impact on net interest income of the Group.

| | **(Decrease)/increase in net interest income** | |
|---|---|---|
| | **As at 31 December** | |
| | **2024** | **2023** |
| + 25 basis points | (3,443) | (797) |
| – 25 basis points | 3,443 | 797 |

Given the nature of demand deposits, their interest rate fluctuations are less volatile than those of other products. Had the impact of yield curves movement on interest expenses related to demand deposits been excluded, the net interest income for the next twelve months from the reporting date would have increased or decreased by RMB20,462 million (2023: RMB22,991 million) for 25 basis points upward or downward parallel movements, respectively.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.3 GAP analysis*

The tables below summarise the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

| | As at 31 December 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Non-interest bearing | Total |
| **Assets** | | | | | | | |
| Cash and due from banks and other financial institutions | 463,706 | 29,438 | 10,725 | 2,649 | – | 75,930 | 582,448 |
| Balances with central banks | 2,290,742 | 6,863 | 2,119 | 338 | – | 167,795 | 2,467,857 |
| Placements with and loans to banks and other financial institutions | 804,732 | 229,640 | 336,554 | 66,024 | – | 5,122 | 1,442,072 |
| Derivative financial assets | – | – | – | – | – | 183,177 | 183,177 |
| Loans and advances to customers, net | 5,085,790 | 4,372,572 | 10,577,845 | 680,920 | 118,180 | 219,975 | 21,055,282 |
| Financial investments | | | | | | | |
| — Financial assets at fair value through profit or loss | 8,560 | 54,757 | 109,619 | 95,771 | 103,020 | 228,570 | 600,297 |
| — Financial assets at fair value through other comprehensive income | 319,764 | 374,458 | 606,682 | 1,683,275 | 1,355,758 | 49,008 | 4,388,945 |
| — Financial assets at amortised cost | 42,128 | 212,264 | 347,542 | 1,167,395 | 1,599,350 | 2,356 | 3,371,035 |
| Other financial assets | – | – | – | 17,851 | – | 290,465 | 308,316 |
| **Total financial assets** | 9,015,422 | 5,279,992 | 11,991,086 | 3,714,223 | 3,176,308 | 1,222,398 | 34,399,429 |
| **Liabilities** | | | | | | | |
| Due to banks and other financial institutions | 1,720,788 | 408,925 | 627,641 | 110,539 | – | 65,859 | 2,933,752 |
| Due to central banks | 180,866 | 358,219 | 562,609 | – | – | 10,322 | 1,112,016 |
| Placements from banks and other financial institutions | 376,518 | 67,317 | 131,288 | 28,259 | – | 3,819 | 607,201 |
| Derivative financial liabilities | – | – | – | – | – | 153,456 | 153,456 |
| Due to customers | 11,608,309 | 2,432,114 | 4,391,581 | 5,176,206 | 185 | 594,193 | 24,202,588 |
| Bonds issued | 98,663 | 276,875 | 915,155 | 532,585 | 220,320 | 12,951 | 2,056,549 |
| Other financial liabilities | 26,529 | 11,560 | 20,382 | 26,333 | 218 | 526,312 | 611,334 |
| **Total financial liabilities** | 14,011,673 | 3,555,010 | 6,648,656 | 5,873,922 | 220,723 | 1,366,912 | 31,676,896 |
| **Total interest repricing gap** | (4,996,251) | 1,724,982 | 5,342,430 | (2,159,699) | 2,955,585 | (144,514) | 2,722,533 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.3 GAP analysis (Continued)*

| | As at 31 December 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Non-interest bearing | Total |
| **Assets** | | | | | | | |
| Cash and due from banks and other financial institutions | 430,170 | 33,594 | 27,182 | 2,205 | – | 75,704 | 568,855 |
| Balances with central banks | 2,674,435 | 6,592 | 18,246 | 1,650 | – | 240,217 | 2,941,140 |
| Placements with and loans to banks and other financial institutions | 643,068 | 153,838 | 356,054 | 79,299 | – | 1,629 | 1,233,888 |
| Derivative financial assets | – | – | – | – | – | 146,750 | 146,750 |
| Loans and advances to customers, net | 4,843,034 | 3,692,199 | 9,951,888 | 643,788 | 175,238 | 170,724 | 19,476,871 |
| Financial investments | | | | | | | |
| — Financial assets at fair value through profit or loss | 14,105 | 43,174 | 90,064 | 86,979 | 102,154 | 213,945 | 550,421 |
| — Financial assets at fair value through other comprehensive income | 219,682 | 263,462 | 397,994 | 1,445,096 | 883,020 | 38,859 | 3,248,113 |
| — Financial assets at amortised cost | 67,953 | 275,354 | 322,677 | 1,194,626 | 1,497,257 | 2,316 | 3,360,183 |
| Other financial assets | – | – | – | 20,774 | – | 287,510 | 308,284 |
| **Total financial assets** | 8,892,447 | 4,468,213 | 11,164,105 | 3,474,417 | 2,657,669 | 1,177,654 | 31,834,505 |
| **Liabilities** | | | | | | | |
| Due to banks and other financial institutions | 1,231,612 | 174,879 | 696,244 | 84,331 | – | 58,296 | 2,245,362 |
| Due to central banks | 395,863 | 106,490 | 723,792 | 418 | – | 8,757 | 1,235,320 |
| Placements from banks and other financial institutions | 276,759 | 70,533 | 123,616 | 3,964 | – | 105 | 474,977 |
| Derivative financial liabilities | – | – | – | – | – | 135,973 | 135,973 |
| Due to customers | 11,436,055 | 2,133,184 | 3,801,171 | 5,014,853 | 190 | 521,597 | 22,907,050 |
| Bonds issued | 45,688 | 105,922 | 880,651 | 589,001 | 170,525 | 10,659 | 1,802,446 |
| Other financial liabilities | 11,898 | 27,040 | 13,998 | 21,909 | 177 | 402,000 | 477,022 |
| **Total financial liabilities** | 13,397,875 | 2,618,048 | 6,239,472 | 5,714,476 | 170,892 | 1,137,387 | 29,278,150 |
| **Total interest repricing gap** | (4,505,428) | 1,850,165 | 4,924,633 | (2,240,059) | 2,486,777 | 40,267 | 2,556,355 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

#### *3.4 Foreign currency risk*

The Group conducts a substantial portion of its business in RMB, with certain transactions denominated in USD, HKD and, to a much lesser extent, other currencies. The major subsidiary, BOCHK Group, conducts the majority of its business in HKD, RMB and USD. The Group endeavours to manage its sources and uses of foreign currencies to minimise potential mismatches.

The Group manages its exposure to currency exchange risk through the management of its net foreign currency position and monitors its foreign currency risk on trading books using VaR (Note VI.3.2). Meanwhile, the Group performs currency risk sensitivity analysis to estimate the effect of potential exchange rate changes of foreign currencies against RMB on profit before income tax and equity.

The table below indicates a sensitivity analysis of exchange rate changes of the currencies to which the Group had significant exposure. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on profit before income tax and equity. A negative amount in the table reflects a potential net reduction in profit before income tax or equity, while a positive amount reflects a potential net increase. Such analysis does not take into account the correlation effect of changes in different foreign currencies, any further actions that may have been or could be taken by management after the financial reporting date to mitigate the effect of exchange differences, nor any consequential changes in the foreign currency positions.

| | | Effect on profit before income tax | | Effect on equity* | |
|---|---|---|---|---|---|
| **Currency** | **Change in currency rate** | **As at 31 December 2024** | **As at 31 December 2023** | **As at 31 December 2024** | **As at 31 December 2023** |
| USD | +1% | 512 | 299 | 117 | 614 |
| HKD | +1% | (339) | (192) | 2,500 | 2,615 |

* Effect on other comprehensive income (irrespective of income tax effect).

While the table above indicates the effect on profit before income tax and equity of the 1% appreciation of USD and HKD, in which the foreign exchange exposure is computed in accordance with the provisions of the NFRA, there will be an opposite effect with the same amounts if the currencies depreciate by the same percentage.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.4 Foreign currency risk (Continued)*

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December 2024 and 2023. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the tables are the carrying amounts of the assets and liabilities of the Group along with off-balance sheet positions and credit commitments in RMB equivalent, categorised by the original currencies. Derivative financial instruments are included in net off-balance sheet position using notional amounts.

| | As at 31 December 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | RMB | USD | HKD | EURO | JPY | GBP | Other | Total |
| **Assets** | | | | | | | | |
| Cash and due from banks and other financial institutions | 291,607 | 190,866 | 18,810 | 28,256 | 25,775 | 5,809 | 21,325 | 582,448 |
| Balances with central banks | 1,805,868 | 303,486 | 35,442 | 111,790 | 40,369 | 107,131 | 63,771 | 2,467,857 |
| Placements with and loans to banks and other financial institutions | 954,115 | 382,764 | 20,262 | 10,063 | 8,448 | 2,050 | 64,370 | 1,442,072 |
| Derivative financial assets | 100,712 | 46,821 | 4,033 | 2,112 | 11,073 | 6,660 | 11,766 | 183,177 |
| Loans and advances to customers, net | 18,025,545 | 977,115 | 1,266,835 | 263,687 | 24,379 | 75,086 | 422,635 | 21,055,282 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 363,342 | 109,816 | 119,456 | 7,654 | – | 11 | 18 | 600,297 |
| — Financial assets at fair value through other comprehensive income | 2,898,192 | 808,132 | 317,690 | 56,594 | 86,838 | 12,741 | 208,758 | 4,388,945 |
| — Financial assets at amortised cost | 2,963,957 | 326,482 | 13,490 | 12,079 | – | 759 | 54,268 | 3,371,035 |
| Other | 316,955 | 171,074 | 269,740 | 2,641 | 1,676 | 2,016 | 206,084 | 970,186 |
| **Total assets** | 27,720,293 | 3,316,556 | 2,065,758 | 494,876 | 198,558 | 212,263 | 1,052,995 | 35,061,299 |
| **Liabilities** | | | | | | | | |
| Due to banks and other financial institutions | 2,186,375 | 570,214 | 54,836 | 42,588 | 15,792 | 4,134 | 59,813 | 2,933,752 |
| Due to central banks | 1,013,969 | 56,754 | 36,184 | 707 | – | 241 | 4,161 | 1,112,016 |
| Placements from banks and other financial institutions | 211,411 | 335,696 | 16,956 | 13,812 | 5,094 | 5,853 | 18,379 | 607,201 |
| Derivative financial liabilities | 92,114 | 40,306 | 4,008 | 1,458 | 4,296 | 5,387 | 5,887 | 153,456 |
| Due to customers | 19,334,172 | 2,277,803 | 1,574,573 | 271,810 | 137,291 | 59,523 | 547,416 | 24,202,588 |
| Bonds issued | 1,842,077 | 190,552 | 5,483 | 14,200 | – | 21 | 4,216 | 2,056,549 |
| Other | 450,166 | 130,470 | 416,337 | 3,364 | 1,002 | 9,934 | 31,500 | 1,042,773 |
| **Total liabilities** | 25,130,284 | 3,601,795 | 2,108,377 | 347,939 | 163,475 | 85,093 | 671,372 | 32,108,335 |
| Net on-balance sheet position | 2,590,009 | (285,239) | (42,619) | 146,937 | 35,083 | 127,170 | 381,623 | 2,952,964 |
| Net off-balance sheet position | (46,389) | 292,072 | 345,136 | (138,441) | (23,784) | (123,488) | (282,230) | 22,876 |
| Credit commitments | 2,422,897 | 713,157 | 231,738 | 186,315 | 9,074 | 48,993 | 97,263 | 3,709,437 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**
(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 3 Market risk (Continued)

### *3.4 Foreign currency risk (Continued)*

| | As at 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | RMB | USD | HKD | EURO | JPY | GBP | Other | Total |
| **Assets** | | | | | | | | |
| Cash and due from banks and other financial institutions | 362,047 | 123,898 | 23,991 | 27,005 | 7,663 | 4,432 | 19,819 | 568,855 |
| Balances with central banks | 2,357,156 | 279,250 | 24,695 | 101,258 | 45,242 | 57,641 | 75,898 | 2,941,140 |
| Placements with and loans to banks and other financial institutions | 860,582 | 267,619 | 21,444 | 8,021 | 1,885 | 1,396 | 72,941 | 1,233,888 |
| Derivative financial assets | 65,988 | 43,462 | 3,596 | 3,681 | 8,323 | 11,133 | 10,567 | 146,750 |
| Loans and advances to customers, net | 16,269,917 | 1,011,438 | 1,399,632 | 277,488 | 14,021 | 102,739 | 401,636 | 19,476,871 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 344,681 | 102,755 | 92,701 | 9,805 | 452 | 27 | – | 550,421 |
| — Financial assets at fair value through other comprehensive income | 2,166,348 | 580,401 | 258,080 | 46,738 | 38,654 | 4,282 | 153,610 | 3,248,113 |
| — Financial assets at amortised cost | 2,930,748 | 339,996 | 21,539 | 26,528 | – | 747 | 40,625 | 3,360,183 |
| Other | 356,029 | 175,908 | 248,623 | 3,075 | 1,201 | 1,988 | 119,121 | 905,945 |
| **Total assets** | 25,713,496 | 2,924,727 | 2,094,301 | 503,599 | 117,441 | 184,385 | 894,217 | 32,432,166 |
| **Liabilities** | | | | | | | | |
| Due to banks and other financial institutions | 1,644,498 | 396,589 | 29,123 | 44,605 | 34,081 | 9,022 | 87,444 | 2,245,362 |
| Due to central banks | 1,140,227 | 63,749 | 24,489 | 3,982 | – | – | 2,873 | 1,235,320 |
| Placements from banks and other financial institutions | 129,880 | 295,787 | 15,877 | 16,973 | 726 | 4,145 | 11,589 | 474,977 |
| Derivative financial liabilities | 64,969 | 37,234 | 4,269 | 2,539 | 4,639 | 11,216 | 11,107 | 135,973 |
| Due to customers | 18,282,470 | 2,131,110 | 1,475,624 | 273,757 | 172,048 | 91,981 | 480,060 | 22,907,050 |
| Bonds issued | 1,555,318 | 216,639 | 3,629 | 21,267 | 401 | – | 5,192 | 1,802,446 |
| Other | 364,971 | 127,919 | 344,662 | 3,868 | 483 | 9,449 | 22,871 | 874,223 |
| **Total liabilities** | 23,182,333 | 3,269,027 | 1,897,673 | 366,991 | 212,378 | 125,813 | 621,136 | 29,675,351 |
| Net on-balance sheet position | 2,531,163 | (344,300) | 196,628 | 136,608 | (94,937) | 58,572 | 273,081 | 2,756,815 |
| Net off-balance sheet position | (129,268) | 336,974 | 64,381 | (126,020) | 111,695 | (53,863) | (196,093) | 7,806 |
| Credit commitments | 5,240,210 | 873,046 | 256,198 | 197,222 | 15,638 | 70,590 | 141,301 | 6,794,205 |

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 4 Liquidity risk

Liquidity risk refers to the risk that a commercial bank fails to acquire adequate funds in a timely manner and at a reasonable cost to deal with repayment of debts at maturity, perform other payment obligations and meet other fund needs for normal business operation.

### *4.1 Liquidity risk management policy and process*

The Bank continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk at the institution and group level, including that of branches, subsidiaries and business lines, thus ensuring that liquidity demand is met in a timely manner and at a reasonable cost.

The Group considers liquidity risk management a significant component of asset-liability management, and determines the size, structure and duration of assets and liabilities consistent with the principle of overall balance between assets and liabilities. The Group establishes its liquidity portfolio to mitigate liquidity risk, and to minimise the gaps in the amount and duration between the funding sources and the uses of funds. The Group refines its financing strategy, taking into consideration various factors including customer risk sensitivity, financing cost and concentration of funding sources. In addition, the Group prioritises the development of customer deposits, dynamically adjusts the structure of funding sources by market-oriented financing modes, including due to banks and other financial institutions, inter-bank borrowings and bond issuance, and improves the diversity and stability of financing sources.

Assets available to meet all of the liabilities and to cover outstanding loan commitments include “Cash and due from banks and other financial institutions”, “Balances with central banks”, “Placements with and loans to banks and other financial institutions”, “Loans and advances to customers, net”, etc. In the normal course of business, a proportion of short-term loans contractually repayable will be extended and a portion of short-term customer deposits will not be withdrawn upon maturity. The Group would also be able to meet unexpected net cash outflows by entering into repurchase transactions, and by selling securities and accessing additional funding sources.

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 4 Liquidity risk (Continued)

### *4.2 Maturity analysis*

The tables below analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the financial reporting date to the contractual maturity date. For purposes of the tables set forth, "Loans and advances to customers, net" are considered overdue only if principal payments are overdue. In addition, for loans and advances to customers that are repayable by instalments, only the portion of the loan that is actually overdue is reported as overdue. Any part of the loan that is not due is reported according to residual maturity.

| | As at 31 December 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Overdue/ Undated** | **On demand** | **Less than 1 month** | **Between 1 and 3 months** | **Between 3 and 12 months** | **Between 1 and 5 years** | **Over 5 years** | **Total** |
| **Assets** | | | | | | | | |
| Cash and due from banks and other financial institutions | – | 348,762 | 190,605 | 29,539 | 10,842 | 2,700 | – | 582,448 |
| Balances with central banks | 1,532,591 | 770,087 | 135,090 | 9,731 | 19,345 | 1,013 | – | 2,467,857 |
| Placements with and loans to banks and other financial institutions | 485 | – | 755,177 | 217,468 | 355,514 | 111,981 | 1,447 | 1,442,072 |
| Derivative financial assets | – | 14,319 | 35,633 | 31,769 | 48,769 | 41,058 | 11,629 | 183,177 |
| Loans and advances to customers, net | 62,599 | 334,137 | 743,895 | 1,424,277 | 5,020,260 | 6,369,643 | 7,100,471 | 21,055,282 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 224,249 | – | 8,540 | 54,030 | 109,974 | 99,738 | 103,766 | 600,297 |
| — Financial assets at fair value through other comprehensive income | 37,837 | – | 264,632 | 344,016 | 618,149 | 1,729,489 | 1,394,822 | 4,388,945 |
| — Financial assets at amortised cost | 728 | – | 36,511 | 55,742 | 502,386 | 1,158,998 | 1,616,670 | 3,371,035 |
| Other | 368,348 | 416,149 | 38,733 | 6,091 | 19,340 | 77,276 | 44,249 | 970,186 |
| **Total assets** | 2,226,837 | 1,883,454 | 2,208,816 | 2,172,663 | 6,704,579 | 9,591,896 | 10,273,054 | 35,061,299 |
| **Liabilities** | | | | | | | | |
| Due to banks and other financial institutions | – | 1,667,757 | 117,813 | 407,354 | 629,709 | 111,119 | – | 2,933,752 |
| Due to central banks | – | 75,631 | 110,189 | 358,344 | 567,852 | – | – | 1,112,016 |
| Placements from banks and other financial institutions | – | – | 378,617 | 68,448 | 131,479 | 28,657 | – | 607,201 |
| Derivative financial liabilities | – | 10,875 | 28,050 | 27,181 | 41,455 | 36,496 | 9,399 | 153,456 |
| Due to customers | – | 10,177,134 | 1,925,977 | 2,458,775 | 4,421,381 | 5,219,136 | 185 | 24,202,588 |
| Bonds issued | – | – | 88,342 | 247,406 | 873,543 | 566,966 | 280,292 | 2,056,549 |
| Other | 1,702 | 368,835 | 140,745 | 53,746 | 116,395 | 111,784 | 249,566 | 1,042,773 |
| **Total liabilities** | 1,702 | 12,300,232 | 2,789,733 | 3,621,254 | 6,781,814 | 6,074,158 | 539,442 | 32,108,335 |
| **Net liquidity gap** | 2,225,135 | (10,416,778) | (580,917) | (1,448,591) | (77,235) | 3,517,738 | 9,733,612 | 2,952,964 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 4 Liquidity risk (Continued)

#### *4.2 Maturity analysis (Continued)*

| | As at 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Overdue/ Undated | On demand | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **Assets** | | | | | | | | |
| Cash and due from banks and other financial institutions | – | 238,970 | 267,081 | 33,110 | 25,798 | 3,896 | – | 568,855 |
| Balances with central banks | 1,691,309 | 1,001,820 | 219,292 | 8,555 | 18,514 | 1,650 | – | 2,941,140 |
| Placements with and loans to banks and other financial institutions | 412 | – | 602,580 | 145,395 | 367,085 | 113,165 | 5,251 | 1,233,888 |
| Derivative financial assets | – | 14,286 | 21,314 | 27,845 | 39,778 | 32,029 | 11,498 | 146,750 |
| Loans and advances to customers, net | 78,145 | 312,850 | 721,128 | 1,277,791 | 4,490,884 | 5,854,905 | 6,741,168 | 19,476,871 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 212,915 | – | 11,506 | 42,659 | 89,599 | 90,924 | 102,818 | 550,421 |
| — Financial assets at fair value through other comprehensive income | 30,843 | – | 211,452 | 228,473 | 407,850 | 1,470,822 | 898,673 | 3,248,113 |
| — Financial assets at amortised cost | 658 | – | 58,972 | 120,659 | 324,230 | 1,350,444 | 1,505,220 | 3,360,183 |
| Other | 368,379 | 327,177 | 33,726 | 13,254 | 22,587 | 87,727 | 53,095 | 905,945 |
| **Total assets** | 2,382,661 | 1,895,103 | 2,147,051 | 1,897,741 | 5,786,325 | 9,005,562 | 9,317,723 | 32,432,166 |
| **Liabilities** | | | | | | | | |
| Due to banks and other financial institutions | – | 1,221,270 | 62,895 | 174,764 | 699,492 | 86,941 | – | 2,245,362 |
| Due to central banks | – | 50,487 | 344,398 | 108,408 | 731,609 | 418 | – | 1,235,320 |
| Placements from banks and other financial institutions | – | – | 267,240 | 51,538 | 152,160 | 4,039 | – | 474,977 |
| Derivative financial liabilities | – | 10,025 | 24,513 | 25,549 | 38,079 | 28,811 | 8,996 | 135,973 |
| Due to customers | – | 9,575,443 | 2,077,958 | 2,129,883 | 3,939,723 | 5,183,834 | 209 | 22,907,050 |
| Bonds issued | – | – | 36,833 | 92,660 | 893,356 | 609,072 | 170,525 | 1,802,446 |
| Other | 349 | 287,111 | 74,296 | 46,734 | 135,259 | 113,030 | 217,444 | 874,223 |
| **Total liabilities** | 349 | 11,144,336 | 2,888,133 | 2,629,536 | 6,589,678 | 6,026,145 | 397,174 | 29,675,351 |
| **Net liquidity gap** | 2,382,312 | (9,249,233) | (741,082) | (731,795) | (803,353) | 2,979,417 | 8,920,549 | 2,756,815 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 4 Liquidity risk (Continued)

### *4.3 Undiscounted cash flows by contractual maturities*

The tables below present the cash flows of the Group of non-derivative financial assets and financial liabilities and derivative financial instruments that will be settled on a net basis and on a gross basis by the remaining contractual maturities at the financial reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows, except for certain derivatives which are disclosed at fair value (i.e. discounted cash flows basis). The Group also manages its inherent short-term liquidity risk based on expected undiscounted cash flows.

| | As at 31 December 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Overdue/ Undated | On demand | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **Non-derivative cash flow** | | | | | | | | |
| Cash and due from banks and other financial institutions | – | 348,762 | 191,000 | 29,769 | 11,071 | 2,700 | – | 583,302 |
| Balances with central banks | 1,532,591 | 770,087 | 135,143 | 9,890 | 20,249 | 1,137 | – | 2,469,097 |
| Placements with and loans to banks and other financial institutions | 485 | – | 756,674 | 221,476 | 365,272 | 124,711 | 3,489 | 1,472,107 |
| Loans and advances to customers, net | 63,013 | 334,137 | 787,468 | 1,529,524 | 5,457,285 | 7,859,789 | 9,278,108 | 25,309,324 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 224,249 | – | 8,932 | 55,025 | 118,458 | 131,237 | 164,017 | 701,918 |
| — Financial assets at fair value through other comprehensive income | 37,837 | – | 270,201 | 358,853 | 689,441 | 1,975,277 | 1,692,012 | 5,023,621 |
| — Financial assets at amortised cost | 728 | – | 43,090 | 72,643 | 572,438 | 1,428,680 | 2,036,871 | 4,154,450 |
| Other financial assets | 2,853 | 240,442 | 33,384 | 3,176 | 4,050 | 5,717 | 18,694 | 308,316 |
| **Total financial assets** | 1,861,756 | 1,693,428 | 2,225,892 | 2,280,356 | 7,238,264 | 11,529,248 | 13,193,191 | 40,022,135 |
| Due to banks and other financial institutions | – | 1,667,757 | 119,244 | 413,223 | 643,871 | 119,539 | – | 2,963,634 |
| Due to central banks | – | 75,631 | 111,702 | 360,998 | 577,912 | – | – | 1,126,243 |
| Placements from banks and other financial institutions | – | – | 379,643 | 69,217 | 134,721 | 38,985 | – | 622,566 |
| Due to customers | – | 10,177,134 | 1,952,010 | 2,510,927 | 4,736,119 | 5,523,405 | 239 | 24,899,834 |
| Bonds issued | – | – | 89,379 | 253,696 | 905,354 | 666,539 | 359,479 | 2,274,447 |
| Other financial liabilities | – | 444,268 | 106,483 | 11,193 | 19,490 | 12,246 | 18,269 | 611,949 |
| **Total financial liabilities** | – | 12,364,790 | 2,758,461 | 3,619,254 | 7,017,467 | 6,360,714 | 377,987 | 32,498,673 |
| **Derivative cash flow** | | | | | | | | |
| Derivative financial instruments settled on a net basis | – | 3,093 | 1,125 | 900 | 1,020 | 1,066 | 667 | 7,871 |
| Derivative financial instruments settled on a gross basis | | | | | | | | |
| Total inflow | – | 641,590 | 3,562,995 | 2,482,716 | 4,907,019 | 785,912 | 136,319 | 12,516,551 |
| Total outflow | – | (640,853) | (3,556,613) | (2,479,459) | (4,898,617) | (784,884) | (136,261) | (12,496,687) |

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 4 Liquidity risk (Continued)

### *4.3 Undiscounted cash flows by contractual maturities (Continued)*

| | As at 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Overdue/ Undated | On demand | Less than 1 month | Between 1 and 3 months | Between 3 and 12 months | Between 1 and 5 years | Over 5 years | Total |
| **Non-derivative cash flow** | | | | | | | | |
| Cash and due from banks and other financial institutions | – | 238,970 | 271,260 | 33,818 | 27,578 | 4,112 | – | 575,738 |
| Balances with central banks | 1,691,309 | 1,001,820 | 219,391 | 8,632 | 18,595 | 1,871 | – | 2,941,618 |
| Placements with and loans to banks and other financial institutions | 412 | – | 604,431 | 149,684 | 375,611 | 119,596 | 7,934 | 1,257,668 |
| Loans and advances to customers, net | 78,512 | 312,880 | 755,546 | 1,368,770 | 4,909,836 | 7,473,339 | 9,334,739 | 24,233,622 |
| Financial investments | | | | | | | | |
| — Financial assets at fair value through profit or loss | 213,131 | – | 11,882 | 43,551 | 95,185 | 110,906 | 150,051 | 624,706 |
| — Financial assets at fair value through other comprehensive income | 30,883 | – | 215,735 | 238,687 | 465,159 | 1,662,317 | 1,051,331 | 3,664,112 |
| — Financial assets at amortised cost | 658 | – | 65,520 | 136,939 | 397,745 | 1,622,088 | 1,954,976 | 4,177,926 |
| Other financial assets | 4,414 | 234,679 | 29,840 | 7,161 | 7,605 | 1,393 | 23,192 | 308,284 |
| **Total financial assets** | 2,019,319 | 1,788,349 | 2,173,605 | 1,987,242 | 6,297,314 | 10,995,622 | 12,522,223 | 37,783,674 |
| Due to banks and other financial institutions | – | 1,221,270 | 64,191 | 177,697 | 712,347 | 93,605 | – | 2,269,110 |
| Due to central banks | – | 50,487 | 344,410 | 109,978 | 740,789 | 418 | – | 1,246,082 |
| Placements from banks and other financial institutions | – | – | 267,583 | 52,601 | 155,958 | 12,075 | – | 488,217 |
| Due to customers | – | 9,575,443 | 2,102,943 | 2,177,708 | 4,054,718 | 5,647,770 | 292 | 23,558,874 |
| Bonds issued | – | – | 36,949 | 94,476 | 924,480 | 682,054 | 194,163 | 1,932,122 |
| Other financial liabilities | – | 295,806 | 46,956 | 30,300 | 27,603 | 45,455 | 31,485 | 477,605 |
| **Total financial liabilities** | – | 11,143,006 | 2,863,032 | 2,642,760 | 6,615,895 | 6,481,377 | 225,940 | 29,972,010 |
| **Derivative cash flow** | | | | | | | | |
| Derivative financial instruments settled on a net basis | – | 4,204 | 446 | 998 | 1,125 | 2,914 | 875 | 10,562 |
| Derivative financial instruments settled on a gross basis | | | | | | | | |
| Total inflow | – | 791,783 | 3,137,208 | 1,961,571 | 3,800,559 | 605,492 | 89,128 | 10,385,741 |
| Total outflow | – | (792,273) | (3,138,390) | (1,955,136) | (3,798,553) | (605,672) | (89,144) | (10,379,168) |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 4 Liquidity risk (Continued)

#### *4.4 Off-balance sheet items*

The Group's off-balance sheet items are summarised in the table below at the remaining period to the contractual maturity date. Financial guarantees are also included below at notional amounts and based on the earliest contractual maturity date.

| | Less than 1 year | Between 1 and 5 years | Over 5 years | Total |
|---|---|---|---|---|
| **As at 31 December 2024** | | | | |
| Loan commitments [(1)] | 1,170,453 | 370,332 | 50,285 | 1,591,070 |
| Guarantees, acceptances and other financial facilities | 1,548,582 | 349,347 | 220,438 | 2,118,367 |
| Subtotal | 2,719,035 | 719,679 | 270,723 | 3,709,437 |
| Capital commitments | 27,623 | 70,793 | 23 | 98,439 |
| Total | 2,746,658 | 790,472 | 270,746 | 3,807,876 |
| **As at 31 December 2023** | | | | |
| Loan commitments [(1)] | 2,495,538 | 1,478,789 | 499,253 | 4,473,580 |
| Guarantees, acceptances and other financial facilities | 1,674,887 | 391,279 | 254,459 | 2,320,625 |
| Subtotal | 4,170,425 | 1,870,068 | 753,712 | 6,794,205 |
| Capital commitments | 27,329 | 60,096 | 11,937 | 99,362 |
| Total | 4,197,754 | 1,930,164 | 765,649 | 6,893,567 |

(1) Included within "Loan commitments" are amounts relating to loan commitments and undrawn credit card limits. Refer to Note V.42.7.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value

#### *5.1 Assets and liabilities measured at fair value*

Assets and liabilities measured at fair value are classified into the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, including equity securities listed on exchanges or debt instruments issued by certain governments and certain exchange-traded derivative contracts.

- Level 2: Valuation technique for which all inputs that have a significant effect on the recorded fair value other than quoted prices included within Level 1 are observable for the asset or liability, either directly or indirectly. This level includes the majority of the over-the-counter derivative contracts, debt securities for which quotations are available from pricing service providers, discounted bills, etc.

- Level 3: Valuation technique using inputs which have a significant effect on the recorded fair value for the asset or liability are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable parameters.

The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

The Group uses valuation techniques or counterparty quotations to determine the fair value when it is unable to obtain open market quotation in active markets.

The main parameters used in valuation techniques include bond prices, interest rates, foreign exchange rates, equity and stock prices, volatilities, counterparty credit spreads and others, which are all observable and obtainable from the open market.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value (Continued)

#### *5.1 Assets and liabilities measured at fair value (Continued)*

For certain illiquid debt securities (mainly asset-backed securities), unlisted equity (private equity) and unlisted funds held by the Group, management uses valuation techniques to determine the fair value, including discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. As at 31 December 2024, the Group's main unobservable parameters included discount rate, expected rate of return, liquidity discount and P/S ratio. Management determines whether to make necessary adjustments to the fair value of the Group's Level 3 financial instruments by assessing the impact of changes in macro-economic factors, and valuations by external valuation agencies. The Group has established internal control procedures to control the Group's exposure to such financial instruments.

The Group has established a robust internal control policy for the measurement of fair values. The Board of Directors has ultimate responsibility for the fair value valuation of financial instruments and approves valuation policies; The Risk Policy Committee assists the board in supervising the senior management to establish and improve the system of valuation and execution mechanism; Senior management organizes the valuation process and is accountable to the Board.

The Group has established an independent valuation process for financial assets and financial liabilities. The financial management related departments of Head Office coordinate the management of the Group's financial instrument valuation. The risk management related departments of Head Office are responsible for validating the valuation models.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value (Continued)

#### *5.1 Assets and liabilities measured at fair value (Continued)*

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets measured at fair value** | | | | |
| Due from and placements with banks and other financial institutions at fair value | – | 24,518 | – | 24,518 |
| Derivative financial assets | 377 | 182,800 | – | 183,177 |
| Loans and advances to customers at fair value | – | 903,697 | 749 | 904,446 |
| Financial assets at fair value through profit or loss | | | | |
| — Debt securities | 10,120 | 360,684 | 1,169 | 371,973 |
| — Equity instruments | 23,367 | 532 | 100,705 | 124,604 |
| — Fund investments and other | 26,231 | 9,680 | 67,809 | 103,720 |
| Financial assets at fair value through other comprehensive income | | | | |
| — Debt securities | 517,673 | 3,827,247 | – | 4,344,920 |
| — Equity instruments and other | 7,517 | 12,987 | 23,521 | 44,025 |
| Investment properties | – | 1,900 | 20,531 | 22,431 |
| **Liabilities measured at fair value** | | | | |
| Due to and placements from banks and other financial institutions at fair value | – | (33,140) | – | (33,140) |
| Due to customers at fair value | – | (45,332) | – | (45,332) |
| Bonds issued at fair value | – | (1,970) | – | (1,970) |
| Financial liabilities held for trading | (528) | (57,076) | – | (57,604) |
| Derivative financial liabilities | (551) | (152,905) | – | (153,456) |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value (Continued)

#### *5.1 Assets and liabilities measured at fair value (Continued)*

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets measured at fair value** | | | | |
| Due from and placements with banks and other financial institutions at fair value | – | 18,126 | – | 18,126 |
| Derivative financial assets | 4,857 | 141,893 | – | 146,750 |
| Loans and advances to customers at fair value | – | 717,994 | 782 | 718,776 |
| Financial assets at fair value through profit or loss | | | | |
| — Debt securities | 5,707 | 328,603 | 1,874 | 336,184 |
| — Equity instruments | 19,507 | 2,135 | 90,792 | 112,434 |
| — Fund investments and other | 25,465 | 10,512 | 65,826 | 101,803 |
| Financial assets at fair value through other comprehensive income | | | | |
| — Debt securities | 301,899 | 2,914,084 | – | 3,215,983 |
| — Equity instruments and other | 6,117 | 11,020 | 14,993 | 32,130 |
| Investment properties | – | 2,005 | 20,699 | 22,704 |
| **Liabilities measured at fair value** | | | | |
| Due to and placements from banks and other financial institutions at fair value | – | (3,798) | – | (3,798) |
| Due to customers at fair value | – | (47,657) | – | (47,657) |
| Bonds issued at fair value | – | (2,118) | – | (2,118) |
| Financial liabilities held for trading | (729) | (53,535) | – | (54,264) |
| Derivative financial liabilities | (5,009) | (130,964) | – | (135,973) |

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 5 Fair value (Continued)

### *5.1 Assets and liabilities measured at fair value (Continued)*

Reconciliation of Level 3 items

| | Loans and advances to customers at fair value | Financial assets at fair value through profit or loss | | | Financial assets at fair value through other comprehensive income | Investment properties |
|---|---|---|---|---|---|---|
| | | Debt securities | Equity instruments | Fund investments and other | Equity instruments and other | |
| As at 1 January 2024 | 782 | 1,874 | 90,792 | 65,826 | 14,993 | 20,699 |
| Total gains and losses | | | | | | |
| — (loss)/profit | – | (85) | 2,208 | 565 | – | (1,009) |
| — other comprehensive income | – | – | – | – | 3,074 | – |
| Sales | – | – | (5,565) | (5,954) | (449) | (37) |
| Purchases | – | 69 | 13,754 | 7,220 | 6,016 | 14 |
| Settlements | – | (690) | – | – | – | – |
| Transfers out of Level 3, net | – | – | (484) | – | (188) | – |
| Other changes | (33) | 1 | – | 152 | 75 | 864 |
| As at 31 December 2024 | 749 | 1,169 | 100,705 | 67,809 | 23,521 | 20,531 |
| Total (losses)/gains for the period included in the income statement for assets held as at 31 December 2024 | – | (85) | 2,567 | 589 | – | (1,026) |

| | Loans and advances to customers at fair value | Financial assets at fair value through profit or loss | | | Financial assets at fair value through other comprehensive income | | Investment properties |
|---|---|---|---|---|---|---|---|
| | | Debt securities | Equity instruments | Fund investments and other | Debt securities | Equity instruments and other | |
| As at 1 January 2023 | 743 | 5,027 | 84,637 | 62,170 | 657 | 10,995 | 21,502 |
| Total gains and losses | | | | | | | |
| — (loss)/profit | – | (765) | (331) | 2,028 | – | – | (879) |
| — other comprehensive income | – | – | – | – | – | 3,152 | – |
| Sales | – | (1,031) | (10,170) | (5,617) | – | (603) | (272) |
| Purchases | – | 208 | 16,664 | 7,140 | – | 1,425 | 4 |
| Transfers out of Level 3, net | – | (1,589) | (8) | – | (666) | – | – |
| Other changes | 39 | 24 | – | 105 | 9 | 24 | 344 |
| As at 31 December 2023 | 782 | 1,874 | 90,792 | 65,826 | – | 14,993 | 20,699 |
| Total (losses)/gains for the period included in the income statement for assets held as at 31 December 2023 | – | (759) | (189) | 2,022 | – | – | (867) |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value (Continued)

#### *5.1 Assets and liabilities measured at fair value (Continued)*

Total gains or losses for the years ended 31 December 2024 and 2023 included in the statements as well as total gains or losses included in the statements relating to financial instruments held as at 31 December 2024 and 2023 are presented in "Net trading gains", "Net gains on transfers of financial asset", "Credit impairment losses" or "Other comprehensive income" depending on the nature or category of the related financial instruments.

Gains or losses on Level 3 assets and liabilities included in the income statement for the year comprise:

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Realised | Unrealised | Total | Realised | Unrealised | Total |
| Total (losses)/gains | (366) | 2,045 | 1,679 | (154) | 207 | 53 |

There were no significant transfers for the assets and liabilities measured at fair value between Level 1 and Level 2 during the year ended 31 December 2024 and the year ended 31 December 2023.

As at 31 December 2024, with all other variables consistent, if significant unobservable parameters such as discount rate, expected rate of return, liquidity discount and market sales rate applied in the valuation technique change by 10%, the impact on the amount of changes in fair value is not significant.

#### *5.2 Financial assets and liabilities not measured at fair value*

Financial assets not presented at fair value in the statement of financial position mainly represent "Due from banks and other financial institutions", "Government certificates of indebtedness for bank notes issued", and "Balances with central banks", "Placements with and loans to banks and other financial institutions", "Loans and advances to customers", "Financial investments" measured at amortised cost. Liabilities not presented at fair value in the statement of financial position mainly represent "Due to banks and other financial institutions", "Due to central banks", "Bank notes in circulation", and "Placements from banks and other financial institutions", "Due to customers", "Bonds issued" measured at amortised cost.

(Amounts in millions of Renminbi, unless otherwise stated)

# VI FINANCIAL RISK MANAGEMENT (Continued)

## 5 Fair value (Continued)

### *5.2 Financial assets and liabilities not measured at fair value (Continued)*

The table below summarises the carrying amounts and fair values of "Debt securities at amortised cost" and "Bonds issued" not presented at fair value at the financial reporting date.

| | As at 31 December | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Carrying value | Fair value | Carrying value | Fair value |
| **Financial assets** | | | | |
| Debt securities[(1)] | 3,350,582 | 3,577,742 | 3,341,192 | 3,425,739 |
| **Financial liabilities** | | | | |
| Bonds issued[(2)] | 2,054,579 | 2,083,642 | 1,800,328 | 1,806,910 |

(1) Debt securities

The China Orient Bond and Special Purpose Treasury Bond held by the Bank are non-transferable. As there are no observable market prices or yields reflecting arm's length transactions of a comparable size and tenor, the fair values are determined based on the stated interest rate of the instruments.

Fair values of other debt securities are based on market prices or broker/dealer price quotations. Where this information is not available, the Bank will perform valuation by referring to prices from valuation service providers or on the basis of discounted cash flow models. Valuation parameters include market interest rates and expected future default rates. The fair values of RMB bonds are mainly determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd.

(2) Bonds issued

The aggregate fair values are calculated based on quoted market prices. For those bonds where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 5 Fair value (Continued)

#### *5.2 Financial assets and liabilities not measured at fair value (Continued)*

The tables below summarise the fair values of three levels of "Debt securities at amortised cost" (excluding the China Orient Bond and Special Purpose Treasury Bond), and "Bonds issued" not presented at fair value on the statement of financial reporting date.

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | |
| Debt securities | 164,597 | 3,217,685 | 54 | 3,382,336 |
| **Financial liabilities** | | | | |
| Bonds issued | – | 2,083,642 | – | 2,083,642 |

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | |
| Debt securities | 186,119 | 3,044,203 | 11 | 3,230,333 |
| **Financial liabilities** | | | | |
| Bonds issued | – | 1,806,910 | – | 1,806,910 |

Other than the above, the difference between the carrying amounts and fair values of those financial assets and liabilities not presented at their fair value in the statement of financial position as at 31 December 2024 and 2023 was insignificant. Fair value is measured using a discounted cash flow model.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 6 Capital management

The Group follows the principles below with regard to capital management:

- Adequate capital and sustainable development. Follow the lead of the strategic planning of the Group development; and maintain the high quality and adequacy of capital so as to meet regulatory requirements, support business growth, and advance the sustainable development of the scale, quality and performance of the business in the Group.

- Allocation optimisation and benefit augmentation. Allocate capital properly by prioritising the asset businesses with low capital occupancy and high comprehensive income, and steadily improve the efficiency and return of capital, to achieve the reciprocal matchup and dynamic equilibrium among risks, capital and returns.

- Refined management and capital level improvement. Optimise the capital management system by sufficiently identifying, calculating, monitoring, mitigating, and controlling various types of risks; incorporate capital restraints into the whole process of product pricing, resource allocation, structural adjustments, performance evaluation, etc., ensuring that the capital employed is commensurate with the related risks and the level of risk management.

Capital adequacy and regulatory capital are monitored by the Group's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Group's capital adequacy ratios are calculated in accordance with the *Capital Rules for Commercial Banks (J.J.Z.J.L [2023] No. 4)* issued by the NFRA and other relevant regulations from 1 January 2024. With the approval of the NFRA, the Group adopts advanced capital measurement approaches to calculate credit risk. For the Bank's Head Office, domestic branches and BOCHK, Foundation Internal Rating-Based (FIRB) approach is adopted for general corporates and small or medium-sized entities (SMEs) credit risk exposures, while Advanced Internal Rating-Based (AIRB) approach is adopted for retail residential mortgages, qualifying revolving retail exposures (QRRE) as well as other retail risk exposures. Standardised approach is adopted for other types of credit risk exposures and all credit risk exposures of other consolidated institutions. Standardised approach is adopted for market risk and operational risk.

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 6 Capital management (Continued)

As a Systemically Important Bank, the Group's capital adequacy ratios are required to meet the lowest requirements of the NFRA, that is, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be no less than 9.00%, 10.00% and 12.00%, respectively.

The Group's regulatory capital is managed by its capital management related departments and consists of the following:

- Common equity tier 1 capital, including common shares, capital reserve, surplus reserve, general reserve, undistributed profits, accumulated other comprehensive income and eligible portion of minority interests;

- Additional tier 1 capital, including additional tier 1 capital instruments issued and related premium and eligible portion of minority interests;

- Tier 2 capital, including directly issued qualifying tier 2 capital instruments and related premium, excess loss provisions and eligible portion of minority interests.

Goodwill, other intangible assets (excluding land use rights) and other deductible items are deducted from common equity tier 1 capital to derive at the regulatory capital.

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 6 Capital management (Continued)

The table below summarises the Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio[(1)] calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations:

| | As at 31 December 2024 |
|---|---|
| **Common equity tier 1 capital adequacy ratio** | 12.20% |
| **Tier 1 capital adequacy ratio** | 14.38% |
| **Capital adequacy ratio** | 18.76% |
| **Composition of the Group's capital base** | |
| **Common equity tier 1 capital** | 2,368,304 |
| Common shares | 294,388 |
| Capital reserve | 134,347 |
| Surplus reserve | 277,328 |
| General reserve | 414,370 |
| Undistributed profits | 1,115,638 |
| Eligible portion of minority interests | 37,204 |
| Other [(2)] | 95,029 |
| **Regulatory deductions** | (24,043) |
| Of which: | |
| Goodwill | (277) |
| Other intangible assets (excluding land use rights) | (23,701) |
| Direct or indirect investments in own shares | – |
| Investments in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation | – |
| **Net common equity tier 1 capital** | 2,344,261 |
| **Additional tier 1 capital** | 419,025 |
| Preference shares and related premium | 119,550 |
| Additional capital instruments and related premium | 289,963 |
| Eligible portion of minority interests | 9,512 |
| **Net tier 1 capital** | 2,763,286 |
| **Tier 2 capital** | 842,286 |
| Directly issued qualifying tier 2 capital instruments and related premium | 589,894 |
| Excess loss provisions | 243,150 |
| Eligible portion of minority interests | 9,242 |
| **Net capital** | 3,605,572 |
| **Risk-weighted assets** | 19,217,559 |

(Amounts in millions of Renminbi, unless otherwise stated)

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 6 Capital management (Continued)

The *Capital Rules for Commercial Banks* has been applied from 1 January 2024 and the comparative figures as at 31 December 2023 were calculated in accordance with the former *Capital Rules for Commercial Banks (Provisional)* and related regulations:

| | **As at 31 December 2023** |
|---|---|
| **Common equity tier 1 capital adequacy ratio** | 11.63% |
| **Tier 1 capital adequacy ratio** | 13.83% |
| **Capital adequacy ratio** | 17.74% |
| **Composition of the Group's capital base** | |
| **Common equity tier 1 capital** | 2,193,211 |
| Common shares | 294,388 |
| Capital reserve | 134,339 |
| Surplus reserve | 255,137 |
| General reserve | 379,063 |
| Undistributed profits | 1,060,652 |
| Eligible portion of minority interests | 36,123 |
| Other (2) | 33,509 |
| **Regulatory deductions** | (31,386) |
| Of which: | |
| Goodwill | (182) |
| Other intangible assets (excluding land use rights) | (21,094) |
| Direct or indirect investments in own shares | – |
| Investments in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation | (9,978) |
| **Net common equity tier 1 capital** | 2,161,825 |
| **Additional tier 1 capital** | 408,447 |
| Preference shares and related premium | 119,550 |
| Additional capital instruments and related premium | 279,955 |
| Eligible portion of minority interests | 8,942 |
| **Net tier 1 capital** | 2,570,272 |
| **Tier 2 capital** | 727,136 |
| Directly issued qualifying tier 2 capital instruments and related premium | 534,124 |
| Excess loan loss provisions | 184,316 |
| Eligible portion of minority interests | 8,696 |
| **Net capital** | 3,297,408 |
| **Risk-weighted assets** | 18,591,278 |

## VI FINANCIAL RISK MANAGEMENT (Continued)

### 6 Capital management (Continued)

(1) When calculating the capital adequacy ratios, Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited, etc., were excluded from the scope of regulatory consolidation in accordance with the requirements of the NFRA.

(2) This mainly represented exchange differences from the translation of foreign operations and gains/(losses) on financial assets at fair value through other comprehensive income.

### 7 Insurance risk

Insurance contracts are mainly sold in the Chinese mainland and Hong Kong (China). The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty in the resulting claim amount. By the nature of an insurance contract, the risk is random and therefore unpredictable. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities.

The Group manages its portfolio of insurance risks through its appropriate underwriting strategy and policies, as well as adequate reinsurance arrangements, and enhanced underwriting control and claim control.

The Group makes related assumptions for insurance risks and recognises insurance contract liabilities. For life insurance contracts, the key assumptions include assumptions in respect of discount rates/investment return, mortality, morbidity, lapse rates, and expenses assumptions relating to life insurance contracts. For non-life insurance contracts, the key assumptions include assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group’s past claim experiences.

## SUPPLEMENTARY INFORMATION

(Amounts in millions of Renminbi, unless otherwise stated)

## I DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS ACCOUNTING STANDARDS AND CAS

There were no differences in the Group's operating results for the years ended 31 December 2024 and 2023 or total equity as at 31 December 2024 and 2023 presented in the Group's consolidated financial statements prepared under IFRS Accounting Standards and those prepared under CAS.

## II UNAUDITED SUPPLEMENTARY INFORMATION

### 1 Currency concentrations

The following information is computed in accordance with the provisions of the NFRA.

| | Equivalent in millions of RMB | | | |
|---|---|---|---|---|
| | **USD** | **HKD** | **Other** | **Total** |
| **As at 31 December 2024** | | | | |
| Spot assets | 3,936,682 | 1,845,583 | 1,964,128 | 7,746,393 |
| Spot liabilities | (4,292,387) | (2,204,808) | (1,581,425) | (8,078,620) |
| Forward purchases | 8,712,725 | 1,380,034 | 1,714,682 | 11,807,441 |
| Forward sales | (8,246,168) | (1,054,594) | (2,102,522) | (11,403,284) |
| Net options position* | (59,640) | (83) | (6,649) | (66,372) |
| Net long/(short) position | 51,212 | (33,868) | (11,786) | 5,558 |
| Structural position | 11,722 | 250,003 | 123,147 | 384,872 |
| **As at 31 December 2023** | | | | |
| Spot assets | 3,874,639 | 2,159,470 | 2,124,965 | 8,159,074 |
| Spot liabilities | (4,285,544) | (2,224,759) | (1,860,310) | (8,370,613) |
| Forward purchases | 6,860,503 | 1,275,519 | 2,027,654 | 10,163,676 |
| Forward sales | (6,368,632) | (1,227,856) | (2,315,854) | (9,912,342) |
| Net options position* | (51,103) | (1,524) | 7,417 | (45,210) |
| Net long/(short) position | 29,863 | (19,150) | (16,128) | (5,415) |
| Structural position | 61,436 | 261,509 | 108,368 | 431,313 |

* The net option position is calculated in accordance with the relevant provisions of the NFRA.

(Amounts in millions of Renminbi, unless otherwise stated)

## II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

### 2 International claims

The Group discloses international claims according to *Banking (Disclosure) Rules* (L.N. 160 of 2014). International claims are risk exposures generated from the countries or geographical areas where the counterparties take the ultimate risk while considering the transfer of the risk, exclude local claims on local residents in local currency. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a counterparty whose head office is located in another country.

International claims include "Balances with central banks", "Due from and placements with and loans to banks and other financial institutions", "Loans and advances to customers" and "Financial investments", etc.

International claims have been disclosed by major countries or geographical areas. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers.

| | Banks | Official sector | Non-bank private sector | Total |
|---|---|---|---|---|
| **As at 31 December 2024** | | | | |
| Asia Pacific | | | | |
| Chinese mainland | 748,513 | 463,669 | 530,061 | 1,742,243 |
| Hong Kong (China) | 93,916 | 21,169 | 502,539 | 617,624 |
| Other Asia Pacific locations | 143,654 | 162,875 | 493,164 | 799,693 |
| Subtotal | 986,083 | 647,713 | 1,525,764 | 3,159,560 |
| North and South America | 166,179 | 519,673 | 320,699 | 1,006,551 |
| Europe and other | 112,020 | 149,395 | 371,040 | 632,455 |
| Total | 1,264,282 | 1,316,781 | 2,217,503 | 4,798,566 |

**SUPPLEMENTARY INFORMATION**
(Amounts in millions of Renminbi, unless otherwise stated)

## II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

### 2 International claims (Continued)

| | Banks | Official sector | Non-bank private sector | Total |
|---|---|---|---|---|
| **As at 31 December 2023** | | | | |
| Asia Pacific | | | | |
| Chinese mainland | 747,591 | 474,024 | 723,316 | 1,944,931 |
| Hong Kong (China) | 23,598 | 21,249 | 483,096 | 527,943 |
| Other Asia Pacific locations | 95,721 | 88,436 | 453,002 | 637,159 |
| Subtotal | 866,910 | 583,709 | 1,659,414 | 3,110,033 |
| North and South America | 91,766 | 385,078 | 293,396 | 770,240 |
| Europe and other | 100,592 | 167,528 | 360,616 | 628,736 |
| Total | 1,059,268 | 1,136,315 | 2,313,426 | 4,509,009 |

(Amounts in millions of Renminbi, unless otherwise stated)

## II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

### 3 Overdue assets

For the purpose of the table below, the entire outstanding balance of "Loans and advances to customers" and "Placements with and loans to banks and other financial institutions" are considered overdue if either principal or interest payment is overdue.

### *3.1 Total amount of overdue loans and advances to customers*

| | As at 31 December | |
|---|---|---|
| | **2024** | **2023** |
| Total loans and advances to customers which have been overdue | | |
| within 3 months | 77,785 | 73,663 |
| between 3 and 6 months | 44,206 | 35,212 |
| between 6 and 12 months | 55,473 | 41,397 |
| over 12 months | 78,635 | 60,357 |
| Total | 256,099 | 210,629 |
| Percentage | | |
| within 3 months | 0.36% | 0.37% |
| between 3 and 6 months | 0.21% | 0.18% |
| between 6 and 12 months | 0.25% | 0.21% |
| over 12 months | 0.37% | 0.30% |
| Total | 1.19% | 1.06% |

### *3.2 Total amount of overdue Placements with and loans to banks and other financial institutions*

The total amount of overdue "Placements with and loans to banks and other financial institutions" as at 31 December 2024 and 2023 is not considered material.

(Amounts in millions of Renminbi, unless otherwise stated)

## II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

### 4 Global systemic importance assessment indicators of commercial banks

The Group calculated the global systemic important banks assessment indicators by using the *Notice on Issuing the Guidelines for the Disclosure of the Indicators for Assessing Global Systemic Importance of Commercial Banks* (Yin Jian Fa, [2014] No. 1) as a reference basis, and based on the *Instructions for G-SIB assessment exercise* by the Basel Committee on Banking Supervision. The indicators are disclosed as follows.

| Category | Indicators (1) | 2024 |
|---|---|---|
| Size | Adjusted on-balance and off-balance sheet assets | 37,158,341 |
| Interconnectedness | Intra-financial system assets | 2,529,664 |
| | Intra-financial system liabilities | 3,506,161 |
| | Securities and other financing instruments | 6,585,151 |
| Substitutability | Payments settled via payment systems or correspondent banks | 1,059,516,801 |
| | Assets under custody | 15,145,203 |
| | Underwritten transactions in debt and equity markets | 2,758,609 |
| | Trading volume of fixed income | 10,096,724 |
| | Trading volume of equities and other securities | 672,029 |
| Complexity | Notional amount of over-the-counter derivatives | 18,024,225 |
| | Trading and available for sale securities | 1,286,558 |
| | Level 3 assets | 125,073 |
| Cross-Jurisdictional | Cross-jurisdictional claims | 5,632,051 |
| | Cross-jurisdictional liabilities | 5,355,423 |

(1) The indicators above are calculated and disclosed in accordance with the *Guidelines for the Disclosure of Global Systemic Importance Assessment Indicators of Commercial Banks*, which are unaudited and prepared on a different basis compared with the financial and regulatory scope of consolidation.

(Amounts in millions of Renminbi, unless otherwise stated)

## II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

### 5 Domestic systemic importance assessment indicators of commercial banks for 2023

The Group calculated the domestic systemic importance assessment indicators pursuant to the *Notice on Filling in Data for Evaluating Systemically Important Banks* and by referring to the *Evaluation Measures for Systemically Important Banks* (Yin Fa [2020] No. 289). The indicators are disclosed as follows:

| Category | Indicators (1) | 2023 |
|---|---|---|
| Size | Adjusted on-balance and off-balance sheet assets | 34,785,923 |
| Interconnectedness | Intra-financial system assets | 3,672,559 |
| | Intra-financial system liabilities | 3,516,818 |
| | Securities and other financing instruments | 2,362,017 |
| Substitutability | Payments settled via payment systems or correspondent banks | 873,883,640 |
| | Assets under custody | 12,701,022 |
| | Agency and commission business | 5,240,000 |
| | Number of corporate customers (Unit: ten thousand) | 728 |
| | Number of personal customers (Unit: ten thousand) | 38,240 |
| | Number of domestic operating institutions (Unit: one) | 10,302 |
| Complexity | Derivatives | 18,365,174 |
| | Securities measured at fair value | 1,111,112 |
| | Assets of non-banking affiliates | 705,851 |
| | Balance of non-principal-guaranteed wealth management products issued by the Bank | 80,414 |
| | Balance of wealth management products issued by wealth management subsidiary | 1,550,648 |
| | Cross-jurisdictional claims and liabilities | 9,492,269 |

(1) The indicators above are unaudited data and prepared on a different basis compared with the financial scope of consolidation and adopted a different assessment methodology from global systemically important banks.

# Reference for Shareholders

## Securities Information

### Listing and Trading

The Bank's ordinary shares were listed on the Hong Kong Stock Exchange and SSE on 1 June and 5 July 2006, respectively.

The Domestic Preference Shares (Third Tranche) began trading on the Comprehensive Business Platform of SSE on 17 July 2019. The Domestic Preference Shares (Fourth Tranche) began trading on the Comprehensive Business Platform of SSE on 17 September 2019.

### Ordinary Shares

| | | |
|---|---|---|
| Issued shares: | 294,387,791,241 | shares |
| Including: | | |
| A Share: | 210,765,514,846 | shares |
| H Share: | 83,622,276,395 | shares |

### Preference Shares

Domestic Preference Share: 1,000,000,000 shares

## Market Capitalisation

As of the last trading day in 2024 (31 December), the Bank's market capitalisation was RMB1,468.745 billion (based on the closing price of A Shares and H Shares on 31 December 2024, using the exchange rate of HKD100 = RMB92.604 as published by the SAFE on 31 December 2024).

## Securities Price

| | | | |
|---|---|---|---|
| A Share | Closing price on 31 December 2024 RMB5.51 | Highest trading price in the year RMB5.59 | Lowest trading price in the year RMB3.89 |
| H Share | Closing price on 31 December 2024 HKD3.97 | Highest trading price in the year HKD4.00 | Lowest trading price in the year HKD2.79 |

## Securities Code

| **A Share** | | **H Share** | |
|---|---|---|---|
| Stock Name | 中國銀行 | Stock Name | Bank of China |
| Shanghai Stock Exchange | 601988 | Hong Kong Stock Exchange | 3988 |
| Bloomberg | 601988 CH | Bloomberg | 3988 HK |

| **Domestic Preference Share (Third Tranche)** | | **Domestic Preference Share (Fourth Tranche)** | |
|---|---|---|---|
| Stock Name | 中行優 3 | Stock Name | 中行優 4 |
| Shanghai Stock Exchange | 360033 | Shanghai Stock Exchange | 360035 |
| Bloomberg | AZ8714182 | Bloomberg | ZQ0362264 |

## Shareholder Enquiry

If a shareholder wishes to enquire about share transfers, changes of name or address, or loss of share certificates, or to receive other information concerning the shares held, please write to the following address:

**A Share**
Shanghai Branch of China Securities Depository and Clearing Corporation Limited
188 South Yanggao Road,
Pudong New Area, Shanghai, China
Telephone: (86) 21-4008 058 058

**H Share**
Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wan Chai, Hong Kong, China
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990

**Domestic Preference Share**
Shanghai Branch of China Securities
Depository and Clearing Corporation Limited
188 South Yanggao Road,
Pudong New Area, Shanghai, China
Telephone: (86) 21-4008 058 058

## Credit Rating (Long Term, Foreign Currency)

| | |
|---|---|
| S&P Global Ratings: | A |
| Moody's Investors Service: | A1 |
| Fitch Ratings: | A |

## Investor Enquiry

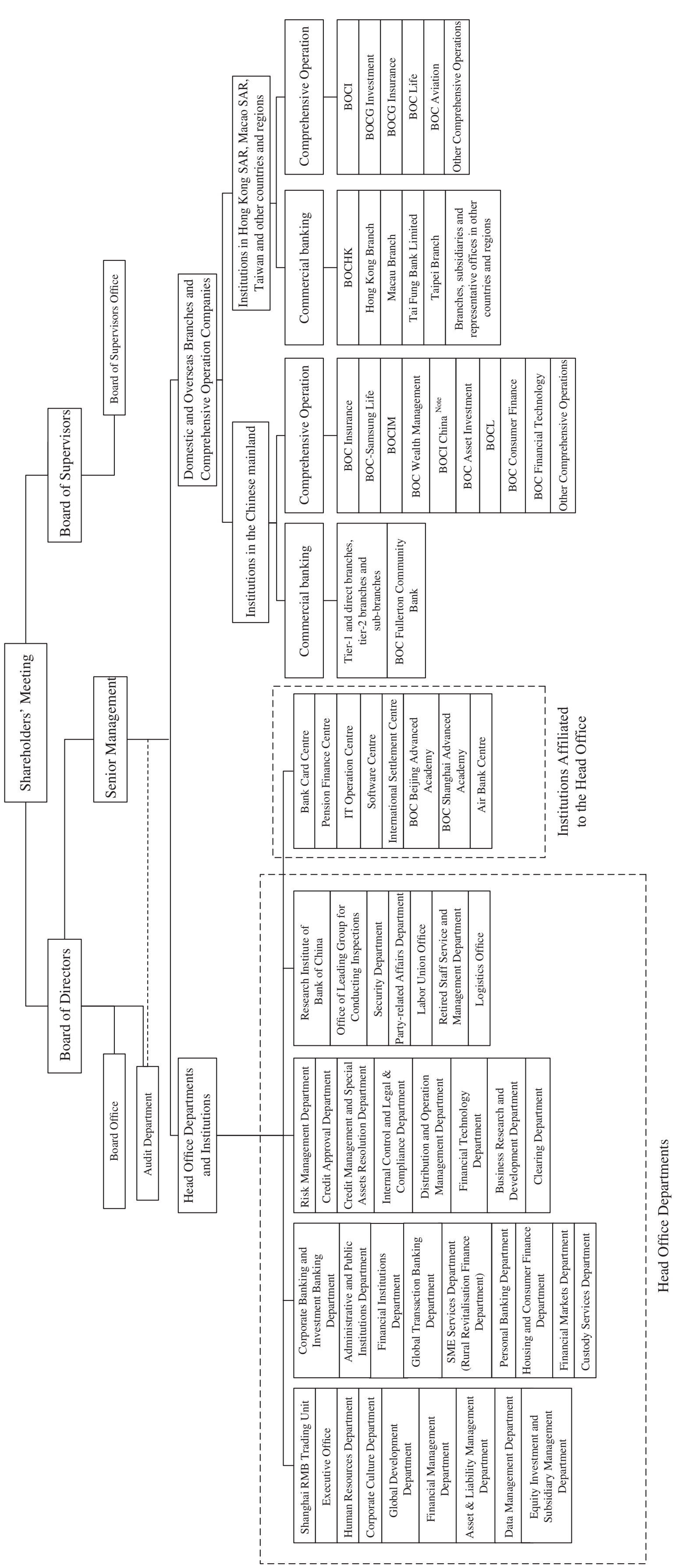
Investor Relations Team, Board Office, Bank of China Limited
12/F, Bank of China Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Telephone: (86) 10-6659 2638
E-mail: ir@bankofchina.com

## Other Information

You may write to the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, China) to request the annual report prepared under IFRS Accounting Standards or visit the Bank's office address for copies prepared under CAS. The Chinese and/or English versions of the annual report are also available on the following websites: www.boc.cn, www.sse.com.cn and www.hkexnews.hk.

Should you have any queries about how to obtain copies of this annual report or access the document on the Bank's website, please call the Bank's H-Share Registrar at (852) 2862 8688 or the Bank's hotline at (86) 10-6659 2638.

# Organisational Chart




Note: The Bank holds 33.42% of the equity interest of BOCI China through its wholly-owned subsidiary BOCI.

# List of Major Branches and Subsidiaries

## MAJOR BRANCHES AND SUBSIDIARIES IN THE CHINESE MAINLAND

**HEAD OFFICE**

1 FUXINGMEN NEI DAJIE,
BEIJING,
CHINA
SWIFT: BKCHCNBJ
TEL: (86) 010-66596688
FAX: (86) 010-66016871
POST CODE: 100818
WEBSITE: www.boc.cn

**BEIJING BRANCH**

A, C, E KAIHENG CENTER,
2 CHAOYANGMEN NEI DAJIE,
DONGCHENG DISTRICT,
BEIJING,
CHINA
SWIFT: BKCHCNBJ110
TEL: (86) 010-85121491
FAX: (86) 010-85121739
POST CODE: 100010

**TIANJIN BRANCH**

8 YOUYI NORTH ROAD,
HEXI DISTRICT,
TIANJIN,
CHINA
SWIFT: BKCHCNBJ200
TEL: (86) 022-27108002
FAX: (86) 022-23312805
POST CODE: 300204

**HEBEI BRANCH**

28 ZIQIANG ROAD,
SHIJIAZHUANG,
HEBEI PROV.,
CHINA
SWIFT: BKCHCNBJ220
TEL: (86) 0311-69696681
FAX: (86) 0311-69696692
POST CODE: 050000

**SHANXI BRANCH**

186 PINGYANG ROAD,
XIAODIAN DISTRICT,
TAIYUAN,
SHANXI PROV.,
CHINA
SWIFT: BKCHCNBJ680
TEL: (86) 0351-8266224
FAX: (86) 0351-8266021
POST CODE: 030006

**INNER MONGOLIA BRANCH**

85-8 XINHUA DONGJIE,
XIN CHENG DISTRICT,
HUHHOT,
INNER MONGOLIA
AUTONOMOUS REGION,
CHINA
SWIFT: BKCHCNBJ880
TEL: (86) 0471-4690066
FAX: (86) 0471-4690001
POST CODE: 010010

**LIAONING BRANCH**

253 SHIFU ROAD,
SHENHE DISTRICT,
SHENYANG,
LIAONING PROV.,
CHINA
SWIFT: BKCHCNBJ810
TEL: (86) 024-22810921
FAX: (86) 024-22857333
POST CODE: 110013

**JILIN BRANCH**

699 XI AN DA LU,
CHANGCHUN,
JILIN PROV.,
CHINA
SWIFT: BKCHCNBJ840
TEL: (86) 0431-88408888
FAX: (86) 0431-88408901
POST CODE: 130061

**HEILONGJIANG BRANCH**

19 HONGJUN STREET,
NANGANG DISTRICT,
HARBIN,
HEILONGJIANG PROV.,
CHINA
SWIFT: BKCHCNBJ860
TEL: (86) 0451-53626740
FAX: (86) 0451-53624147
POST CODE: 150001

**SHANGHAI BRANCH**

200 MID. YINCHENG ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
SWIFT: BKCHCNBJ300
TEL: (86) 021-50375566
FAX: (86) 021-50372911
POST CODE: 200120

**JIANGSU BRANCH**

148 ZHONG SHAN NAN LU,
NANJING,
JIANGSU PROV.,
CHINA
SWIFT: BKCHCNBJ940
TLX: 34116BOCJSCN
TEL: (86) 025-84207888
FAX: (86) 025-84200407
POST CODE: 210005

**ZHEJIANG BRANCH**

321 FENG QI ROAD,
HANGZHOU,
ZHEJIANG PROV.,
CHINA
SWIFT: BKCHCNBJ910
TEL: (86) 0571-85011888
FAX: (86) 0571-87074837
POST CODE: 310003

**ANHUI BRANCH**

NO. 1688, YUNGU ROAD,
BINHU NEW DISTRICT,
HEFEI,
ANHUI PROV.,
CHINA
SWIFT: BKCHCNBJ780
TEL: (86) 0551-62926995
FAX: (86) 0551-62926993
POST CODE: 230091

**FUJIAN BRANCH**

BOC BLDG., 136 WUSI ROAD,
FUZHOU,
FUJIAN PROV.,
CHINA
SWIFT: BKCHCNBJ720
TEL: (86) 0591-87090999
FAX: (86) 0591-87090111
POST CODE: 350003

**JIANGXI BRANCH**

10, LVYIN ROAD,
HONGGUTAN DISTRICT,
NANCHANG,
JIANGXI PROV.,
CHINA
SWIFT: BKCHCNBJ550
TEL: (86) 0791-86471503
FAX: (86) 0791-86471505
POST CODE: 330038

**SHANDONG BRANCH**

TOWER A SHUANGJIN BUILDING,
NO.10817 JINGSHI ROAD,
LIXIA DISTRICT,
JINAN,
SHANDONG PROV.,
CHINA
SWIFT: BKCHCNBJ500
TEL: (86) 0531-58282001
FAX: (86) 0531-58282001
POST CODE: 250014

**HENAN BRANCH**

BOC BLDG., 3-1 BUSINESS
OUTER RING ROAD,
ZHENGDONG NEW DISTRICT,
ZHENGZHOU,
HENAN PROV.,
CHINA
SWIFT: BKCHCNBJ530
TEL: (86) 0371-87008888
FAX: (86) 0371-87007888
POST CODE: 450018

**HUBEI BRANCH**

219 XINHUA ROAD,
JIANGHAN DISTRICT,
WUHAN,
HUBEI PROV.,
CHINA
SWIFT: BKCHCNBJ600
TEL: (86) 027-85569726
FAX: (86) 027-85562955
POST CODE: 430022

**HUNAN BRANCH**

593 MID. FURONG ROAD
(1 DUAN),
CHANGSHA,
HUNAN PROV.,
CHINA
SWIFT: BKCHCNBJ970
TEL: (86) 0731-82580703
FAX: (86) 0731-82580707
POST CODE: 410005

**GUANGDONG BRANCH**

NO. 197 & 1-11TH FLOOR,
15-19TH FLOOR NO. 199
DONGFENG XI ROAD,
YUEXIU DISTRICT,
GUANGZHOU,
GUANGDONG PROV.,
CHINA
SWIFT: BKCHCNBJ400
TEL: (86) 020-83338080
FAX: (86) 020-83344066
POST CODE: 510180

**GUANGXI BRANCH**

39 GUCHENG ROAD,
NANNING,
GUANGXI ZHUANG
AUTONOMOUS REGION,
CHINA
SWIFT: BKCHCNBJ480
TEL: (86) 0771-2879602
FAX: (86) 0771-2813844
POST CODE: 530022

**HAINAN BRANCH**

29, 31 DATONG ROAD,
LONGHUA DISTRICT,
HAIKOU,
HAINAN PROV.,
CHINA
SWIFT: BKCHCNBJ740
TEL: (86) 0898-66778001
FAX: (86) 0898-66562040
POST CODE: 570102

**SICHUAN BRANCH**

35 MID. RENMIN ROAD
(2 DUAN),
CHENGDU,
SICHUAN PROV.,
CHINA
SWIFT: BKCHCNBJ570
TEL: (86) 028-86741950
FAX: (86) 028-86403346
POST CODE: 610031

**GUIZHOU BRANCH**

BOC BLDG., 347 RUIJIN
SOUTH ROAD,
GUIYANG,
GUIZHOU PROV.,
CHINA
SWIFT: BKCHCNBJ240
TEL: (86) 0851-85813954
FAX: (86) 0851-85822419
POST CODE: 550002

**YUNNAN BRANCH**

515 BEIJING ROAD,
KUNMING,
YUNNAN PROV.,
CHINA
SWIFT: BKCHCNBJ640
TEL: (86) 0871-63191216
FAX: (86) 0871-63175553
POST CODE: 650051

**TIBET BRANCH**

113 JINZHU XI LU,
LHASA,
TIBET AUTONOMOUS
REGION,
CHINA
SWIFT: BKCHCNBJ900
TEL: (86) 0891-6835311
FAX: (86) 0891-6835311
POST CODE: 850000

**SHAANXI BRANCH**

18 TANGYAN ROAD BEIDUAN,
LIANHU DISTRICT,
XI’AN,
SHAANXI PROV.,
CHINA
SWIFT: BKCHCNBJ620
TEL: (86) 029-89593900
FAX: (86) 029-89592999
POST CODE: 710077

**GANSU BRANCH**

525 TIANSHUI SOUTH ROAD,
CHENGGUAN DISTRICT
LANZHOU,
GANSU PROV.,
CHINA
SWIFT: BKCHCNBJ660
TEL: (86) 0931-7825004
FAX: (86) 0931-7825004
POST CODE: 730000

**QINGHAI BRANCH**

61 WUSI WEST ROAD
CHENG XI DISTRICT,
XINING,
QINGHAI PROV.,
CHINA
SWIFT: BKCHCNBJ280
TEL: (86) 0971-4721110
FAX: (86) 0971-8174971
POST CODE: 810000

**NINGXIA BRANCH**

1 XINCHANG EAST ROAD,
JINFENG DISTRICT,
YINCHUAN,
NINGXIA HUI
AUTONOMOUS REGION,
CHINA
SWIFT: BKCHCNBJ260
TEL: (86) 0951-5681505
FAX: (86) 0951-5681509
POST CODE: 750002

**XINJIANG BRANCH**

1 DONGFENG ROAD,
URUMQI,
XINJIANG UYGUR
AUTONOMOUS REGION,
CHINA
SWIFT: BKCHCNBJ760
TEL: (86) 0991-2328888
FAX: (86) 0991-2825095
POST CODE: 830002

**CHONGQING BRANCH**

15 SOUTH STREET
JIANGBEICHENG,
JIANG BEI DISTRICT,
CHONGQING,
CHINA
SWIFT: BKCHCNBJ59A
TEL: (86) 023-63889234
FAX: (86) 023-63889217
POST CODE: 400025

**SHENZHEN BRANCH**

INTERNATIONAL FINANCE
BUILDING,
2022 JIANSHE ROAD,
LUOHU DISTRICT,
SHENZHEN,
GUANGDONG PROV.,
CHINA
SWIFT: BKCHCNBJ45A
TEL: (86) 0755-22331155
FAX: (86) 0755-22331232
POST CODE: 518001

**SUZHOU BRANCH**

128 WANGDUN ROAD,
SUZHOU INDUSTRIAL PARK,
SUZHOU,
JIANGSU PROV.,
CHINA
SWIFT: BKCHCNBJ95B
TEL: (86) 0512-67555898
FAX: (86) 0512-65112719
POST CODE: 215028

**NINGBO BRANCH**

3-18/F, 48-49/F, 318 HEYUAN
ROAD AND 255 DINGTAI
ROAD,
NINGBO CITY,
ZHEJIANG PROV.,
CHINA
SWIFT: BKCHCNBJ92A
TEL: (86) 0574-55555099
POST CODE: 315100

**QINGDAO BRANCH**

59 HONGKONG
MIDDLE ROAD,
QINGDAO,
SHANDONG PROV.,
CHINA
SWIFT: BKCHCNBJ50A
TEL: (86) 0532-85979700
FAX: (86) 0532-67755601
POST CODE: 266071

**DALIAN BRANCH**

9 ZHONGSHAN SQUARE,
ZHONGSHAN DISTRICT,
DALIAN,
LIAONING PROV.,
CHINA
SWIFT: BKCHCNBJ81A
TEL: (86) 0411-82586666
FAX: (86) 0411-82637098
POST CODE: 116001

**XIAMEN BRANCH**

BOC BLDG.,
NO. 40 NORTH HUBIN ROAD,
XIAMEN,
FUJIAN PROV.,
CHINA
SWIFT: BKCHCNBJ73A
TEL: (86) 0592-5317566
FAX: (86) 0592-5095130
POST CODE: 361012

**HEBEI XIONGAN BRANCH**

149 LUOSA STREET,
RONGCHENG,
HEBEI PROV.,
CHINA
SWIFT: BKCHCNBJ220
TEL: (86) 0312-5988023
FAX: (86) 0312-5557047
POST CODE: 071700

**BANK OF CHINA INSURANCE CO., LTD.**

9-11/F
NO. 110 XIDAN NORTH STREET,
XICHENG DISTRICT, BEIJING,
CHINA
TEL: (86) 010-83260001
FAX: (86) 010-83260006
POST CODE: 100032
WEBSITE: www.bocins.com

**BANK OF CHINA INVESTMENT MANAGEMENT CO., LTD.**

45/F, BOC BUILDING
200 MID. YINCHENG ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
TEL: (86) 021-38848999
FAX: (86) 021-68873488
POST CODE: 200120
WEBSITE: www.bocim.com

**BOC CONSUMER FINANCE CO., LTD.**

1409#, BOC BUILDING
NO. 200 MID. YINCHENG ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
TEL: (86) 021-63291680
FAX: (86) 021-63291604
POST CODE: 200120
WEBSITE: www.boccfc.cn

**BOC INTERNATIONAL (CHINA) CO., LTD.**

39/F, BOC BUILDING
200 MID. YINCHENG ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
TEL: (86) 021-20328000
FAX: (86) 021-58883554
POST CODE: 200120
EMAIL: webmaster@bocichina.com
WEBSITE: www.bocichina.com

**BOC FULLERTON COMMUNITY BANK CO., LTD.**

9/F,
NO. 110 XIDAN NORTH STREET,
XICHENG DISTRICT, BEIJING,
CHINA
TEL: (86) 010-57765000
FAX: (86) 010-57765550
POST CODE: 100032
WEBSITE: www.bocfullertonbank.com

**BOC-SAMSUNG LIFE INS. CO., LTD.**

20/F ROOM 07-09, 22/23F,
AIR CHINA CENTURY PLAZA
BLD 1, NO. 40, XIAOYUN ROAD,
CHAOYANG DISTRICT,
BEIJING,
CHINA
TEL: (86) 010-83262688
FAX: (86) 010-83262777
POST CODE: 100027
WEBSITE: www.boc-samsunglife.cn

**BOC FINANCIAL ASSET INVESTMENT CO., LTD.**

No. 2 CHAO YANG MEN
BEI DA JIE,
DONGCHENG DISTRICT,
BEIJING,
CHINA
TEL: (86) 010-66590018
FAX: (86) 010-66590009
POST CODE: 100029
EMAIL: zyzcbgs_hq@bank-of-china.com

**BOC WEALTH MANAGEMENT CO., LTD.**

8/F, 11-12/F, JINJIA PLAZA,
NO. 6 JINRONG ST,
XICHENG DISTRICT,
BEIJING,
CHINA
TEL: (86) 010-83937333
FAX: (86) 010-83937555
POST CODE: 100033
WEBSITE: https://www.bocwm.cn

**BOC FINANCIAL TECHNOLOGY CO., LTD.**

NO. 288 KAYUAN 2ND ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
TEL: (86) 021-38973764
FAX: (86) 021-38973776
POST CODE: 201201
WEBSITE: www.fintechboc.com

**BOC FINANCIAL LEASING CO., LTD.**

37/F, BUILDING 8
CORPORATE AVENUE,
NO.1 HUASHENG ROAD,
YUZHONG DISTRICT,
CHONGQING,
CHINA
TEL: (86) 023-63031966
FAX: (86) 023-63031966
POST CODE: 400043
WEBSITE: www.boc-leasing.com

## MAJOR BRANCHES AND SUBSIDIARIES IN HONG KONG, MACAO AND TAIWAN OF CHINA

**BOC HONG KONG (HOLDINGS) LIMITED**

53/F, BANK OF CHINA TOWER,
NO. 1 GARDEN ROAD,
HONG KONG, CHINA
TEL: (852) 28462700
FAX: (852) 28105830
WEBSITE: www.bochk.com

**BOC INTERNATIONAL HOLDINGS LIMITED**

26/F, BANK OF CHINA TOWER,
NO. 1 GARDEN ROAD,
HONG KONG, CHINA
TEL: (852) 39886000
FAX: (852) 21479065
EMAIL: info@bocigroup.com
WEBSITE: www.bocigroup.com

**HONG KONG BRANCH**

7/F, BANK OF CHINA TOWER,
NO. 1 GARDEN ROAD,
HONG KONG, CHINA
TEL: (852) 28101203
FAX: (852) 25377609

**BANK OF CHINA GROUP INSURANCE COMPANY LIMITED**

9/F, WING ON HOUSE,
NO. 71 DES VOEUX ROAD CENTRAL,
HONG KONG, CHINA
TEL: (852) 28670888
FAX: (852) 25221705
EMAIL: info_ins@bocgroup.com
WEBSITE: www.bocgins.com

**BANK OF CHINA GROUP INVESTMENT LIMITED**

21/F, BANK OF CHINA TOWER,
NO. 1 GARDEN ROAD,
HONG KONG, CHINA
TEL: (852) 22007500
FAX: (852) 28772629
EMAIL: bocginv_bgi@bocgroup.com
WEBSITE: www.bocgi.com

**BOC GROUP LIFE ASSURANCE CO., LTD.**

13/F, 1111 KING'S ROAD,
TAIKOO SHING,
HONG KONG, CHINA
TEL: (852) 21608800
FAX: (852) 28660938
WEBSITE: www.boclife.com.hk

**MACAU BRANCH**

BANK OF CHINA BUILDING,
AVENIDA DOUTOR MARIO SOARES,
MACAO, CHINA
SWIFT: BKCHMOMX
TEL: (853) 88895566
FAX: (853) 28781833
EMAIL: bocmo@bank-of-china.com
WEBSITE: www.bankofchina.com/mo

**BANK OF CHINA (MACAU) LIMITED**

BANK OF CHINA BUILDING,
AVENIDA DOUTOR MARIO SOARES,
MACAO,
CHINA
SWIFT: BKCHMOMA
TEL: (853) 88895566
FAX: (853) 28781833
EMAIL: bocmo@bank-of-china.com
WEBSITE: www.bankofchina.com/mo/

**TAI FUNG BANK LIMITED**

NO. 418, ALAMEDA DR. CARLOS, d'ASSUMPCAO,
MACAO,
CHINA
TEL: (853) 28322323
FAX: (853) 28570737
EMAIL: tfbsecr@taifungbank.com
WEBSITE: www.taifungbank.com

**TAIPEI BRANCH**

1-5/F, NO. 105, SONGREN ROAD,
XINYI DIST.,
TAIPEI CITY,
TAIWAN,
CHINA
SWIFT: BKCHTWTP
TEL: (886) 227585600
FAX: (886) 227581598
EMAIL: service.tw@bankofchina.com
WEBSITE: www.bankofchina.com/tw

## MAJOR BRANCHES AND SUBSIDIARIES IN OTHER COUNTRIES AND REGIONS

**ASIA-PACIFIC AREA**

**SINGAPORE BRANCH**

4 BATTERY ROAD,
BANK OF CHINA BUILDING,
SINGAPORE
SWIFT: BKCHSGSGXXX
TEL: (65) 67795566
FAX: (65) 65343401
EMAIL: service.sg@bankofchina.com
WEBSITE: www.bankofchina.com/sg

**TOKYO BRANCH**

BOC BLDG. 3-4-1 AKASAKA
MINATO-KU,
TOKYO 107-0052 JAPAN
SWIFT: BKCHJPJT
TEL: (81) 335058818
FAX: (81) 335058381
EMAIL:
service.jp@boctokyo.co.jp
WEBSITE:
www.bankofchina.com/jp

**SEOUL BRANCH**

2nd/FL YOUNG POONG BLDG.
41, CHEONG GYE CHEON-RO,
JONGNO-GU, SEOUL 03188
KOREA
SWIFT: BKCHKRSEXXX
TEL: (82) 23995254
FAX: (82) 23996262
WEBSITE:
www.bankofchina.com/kr

**BANK OF CHINA (MALAYSIA) BERHAD**

GROUND, MEZZANINE, &
1ST FLOOR PLAZA OSK,
25 JALAN AMPANG
50450 KUALA LUMPUR,
MALAYSIA
SWIFT: BKCHMYKL
TEL: (60) 320595566
FAX: (60) 321615150
EMAIL:
callcenter@bankofchina.com.my
WEBSITE:
www.bankofchina.com.my

**BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED**

179/4 BANGKOK CITY TOWER,
SOUTH SATHORN ROAD,
TUNGMAHAMEK
SATHORN DISTRICT,
BANGKOK 10120,
THAILAND
SWIFT: BKCHTHBK
TEL: (66) 22861010
FAX: (66) 22861020
CUSTOMER SERVICE CENTRE:
(66) 26795566
EMAIL:
service.th@bankofchina.com
WEBSITE:
www.bankofchina.com.th

**BANK OF CHINA (HONGKONG) LIMITED JAKARTA BRANCH**

TAMARA CENTER
11TH FLOOR, Jl. JENDRAL
SUDIRMAN KAV.24,
JAKARTA SELATAN,
12920, INDONESIA
SWIFT: BKCHIDJA
TEL: (62) 215205502
FAX: (62) 215201113/215207552
EMAIL: cs@bankofchina.co.id
WEBSITE: www.bankofchina.co.id

**BANK OF CHINA (HONGKONG) LIMITED PHNOM PENH BRANCH**

CANADIA TOWER,
1ST & 2ND FLOOR,
#315 ANG DOUNG ST.
P.O.BOX 110, PHNOM PENH,
CAMBODIA
SWIFT: BKCHKHPP
TEL: (855) 23988886
FAX: (855) 23988880
EMAIL: service.kh@bankofchina.com
WEBSITE: www.bankofchina.com.kh

**BANK OF CHINA (HONGKONG) LIMITED HOCHIMINH CITY BRANCH**

11&12TH FL,
TIMES SQUARE BUILDING,
22-36 NGUYEN HUE STREET,
DISTRICT 1,
HOCHIMINH CITY,
VIETNAM
SWIFT: BKCHVNVX
TEL: (84) 2838219949
FAX: (84) 2838219948
EMAIL: service.vn@bankofchina.com
WEBSITE: www.bankofchina.com.vn

**BANK OF CHINA (HONGKONG) LIMITED MANILA BRANCH**

28/F. THE FINANCE CENTER,
26th STR. Cor. 9th AVE., BGC
TAGUIG CITY, METRO
MANILA PHILIPPINES
SWIFT: BKCHPHMM
TEL: (63) 282977888
FAX: (63) 288850532
EMAIL: customercare_ph@bankofchina.ph

**BANK OF CHINA (HONGKONG) LIMITED VIENTIANE BRANCH**

NO.A1003-A2003,
VIENTIANE CENTER,
KHOUVIENG ROAD,
NONGCHAN VILLAGE,
SISATTANAK DISTRICT,
VIENTIANE CAPITAL,
LAO P.D.R.
SWIFT: BKCHLALAXXX
TEL: (856) 21228888
FAX: (856) 21228880
EMAIL: service.la@bankofchina.com
WEBSITE: www.bankofchina.com.la

**BANK OF CHINA (HONGKONG) LIMITED BRUNEI BRANCH**

KIARONG JAYA KOMPLEK,
LOT NO. 56244,
SIMPANG 22,
JALAN DATO
RATNA,
KAMPONG KIARONG,
BANDAR SERI
BEGAWAN BE1318,
BRUNEI
DARUSSALAM
SWIFT: BKCHBNBB
TEL: (673) 2459888
FAX: (673) 2459878

**BANK OF CHINA (HONGKONG) LIMITED YANGON BRANCH**

ZONE B, 1ST FLOOR,
GOLDEN CITY
BUSINESS CENTER,
YANKIN ROAD,
YANKIN TOWNSHIP,
YANGON REGION,
MYANMAR
SWIFT: BKCHMMMY
TEL: (95) 19376130
FAX: (95) 19376142
EMAIL: bocyangon@bochk.com

**BANK OF CHINA (HONG KONG) LIMITED REPRESENTATIVE OFFICE IN HANOI**

18 FLOOR, NO.1 TOWER,
CAPITAL PLACE BUILDING,
29 LIEU GIAI STREET,
NGOC KHANH WARD,
BA DINH DISTRICT,
HA NOI,
VIET NAM
TEL: (84) 909009222
EMAIL: service.hn@bankofchina.com.vn

**SYDNEY BRANCH**

GROUND FLOOR,
140 SUSSEX STREET,
SYDNEY NSW 2000,
AUSTRALIA
SWIFT: BKCHAU2S
TEL: (61) 282355888
FAX: (61) 292621794
EMAIL: banking.au@bankofchina.com
WEBSITE: www.bankofchina.com/au

**BANK OF CHINA (AUSTRALIA) LIMITED**

GROUND FLOOR,
140 SUSSEX STREET,
SYDNEY NSW 2000,
AUSTRALIA
SWIFT: BKCHAU2A
TEL: (61) 282355888
FAX: (61) 292621794
EMAIL: banking.au@bankofchina.com
WEBSITE: www.bankofchina.com/au

**BANK OF CHINA (NEW ZEALAND) LIMITED**

LEVEL 19,
66 WYNDHAM STREET,
AUCKLAND CBD 1010,
NEW ZEALAND
SWIFT: BKCHNZ22
TEL: (64) 99809000
FAX: (64) 99809088
EMAIL: service.nz@bankofchina.com
WEBSITE: www.bankofchina.com/nz

**AUCKLAND BRANCH**

LEVEL 19,
66 WYNDHAM STREET,
AUCKLAND CBD 1010,
NEW ZEALAND
SWIFT: BKCHNZ2A
TEL: (64) 99809000
FAX: (64) 99809088
EMAIL: service.nz@bankofchina.com
WEBSITE: www.bankofchina.com/nz

**JSC AB (BANK OF CHINA KAZAKHSTAN)**

71B, MICRODISTRICT
ZHETYSU-2,
AUEZOV DISTRICT, 050063,
ALMATY,
REPUBLIC OF KAZAKHSTAN
SWIFT: BKCHKZKA
TEL: (7727) 2585510
FAX: (7727) 2585514
EMAIL: boc@bankofchina.kz

**KARACHI BRANCH**

5TH FLOOR, CORPORATE
OFFICE BLOCK,
DOLMEN CITY, HC-3, BLOCK 4,
SCHEME 5, CLIFTON,
KARACHI,
PAKISTAN
SWIFT: BKCHPKKA
TEL: (92) 2133110688
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