



Bank of China Limited

Stock Code: 3988

2025 Annual Report

The print version of the Bank's 2025 Annual Report, to be published in April 2026, will supersede this version.

Introduction

Bank of China has the longest continuous operating history of any Chinese bank. 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 15 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.

Bank of China is the most globalised and integrated Chinese bank. As at the end of 2025, it operated across the Chinese mainland and in 64 countries and regions overseas, including 45 Belt and Road participating countries and regions, and served as the designated RMB clearing bank in 16 countries and regions overseas. BOCHK and Macau Branch also serve as local note-issuing banks in their respective markets. The Bank adheres to a customer-centric development philosophy and has established an integrated financial service system built on the pillars of corporate banking, personal banking, financial markets and other commercial banking businesses, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financial leasing and other areas, providing over 8.4 million corporate customers and 550 million personal 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, and fully upholds the political and people-oriented nature of financial work. The Bank takes serving the real economy as its fundamental mission, risk prevention and control as its abiding theme, and consolidating and expanding its globalised advantages and enhancing its global footprint as its primary task. It is resolutely focused on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, and earnestly enacts financial culture with Chinese characteristics. The Bank also actively supports and carries out various public welfare and charitable initiatives, proactively embedding social responsibility and sustainability across all aspects of its operations, management, reform and development.

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 nation's new development philosophy. It will accurately identify the convergence points, focal points and supporting points for implementing national policies and plans and achieving its own 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 in 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

<i>The Banker</i>	Ranked 4th in the Top 1000 World Banks
<i>Brand Finance</i>	Ranked 17th in the Brand Finance Global 500
<i>Fortune</i>	Ranked 38th in the Fortune Global 500
<i>Global Finance</i>	Best Bank for Green Bonds in the Stars of China
	Best Bank for Green Bonds in Asia-Pacific
<i>The Asian Banker</i>	Best RMB Clearing Bank in Asia Pacific
<i>Euromoney</i>	China's Best Bank for ESG
	China's Best State-Owned Private Bank
	China's Best Private Bank for Impact Investing
<i>The Asset</i>	Best Service Provider – Renminbi Bank
	Best Custodian, QDII China-Onshore
	QFI Highly Recommended Custodian Banks
People's Bank of China	FinTech Development Award
	Excellence in the Green Finance Assessment of Financial Institutions
China Association for Public Companies	Best Practice Case for Board of Directors of Public Companies
Shanghai Stock Exchange	"A" Rating in the Annual Information Disclosure Evaluation
China Beijing Green Exchange	Special Contribution Award
People.cn	Corporate Social Responsibility Cases
<i>Securities Times</i>	Tianji Award for Outstanding M&A and Financing Bank
	Tianji Award for Wealth Management Bank
<i>China Securities Journal</i>	Golden Bull Wealth Management Bank
<i>China Banking and Insurance News</i>	Outstanding Case in Financial Consumer Protection and Service Innovation
	Jinnuo – Financial Brand Social Public Welfare Project of the Year
<i>Treasury China</i>	Treasury Awards – Best Treasury Management Bank Award
<i>China Finance</i>	Annual Outstanding Brand Cases in the Financial Industry
League of American Communications Professionals	Award in the Annual Report Competition

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Definitions

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

BOC/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 Shanghai Stock Exchange (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)
PRC	The People's Republic of China
State Council	State Council of the People's Republic of China
MOF	Ministry of Finance of the People's Republic of China
Huijin	Central Huijin Investment Ltd.
CITIC Financial AMC	China CITIC Financial Asset Management Co., Ltd.
PBOC	The People's Bank of China
NFRA	National Financial Regulatory Administration and its predecessors
CSRC	China Securities Regulatory Commission
SAFE	State Administration of Foreign Exchange
SSE	The Shanghai Stock Exchange
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited

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 BOC Hong Kong (Holdings) Limited
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 company incorporated under the laws of Singapore with limited liability and 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.
BOC Financial Leasing	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 Shanghai Stock Exchange
Company Law	<i>The Company Law of the People's Republic of China</i>

CAS	Chinese Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China
IFRS Accounting Standards	International Financial Reporting Standards issued by the International Accounting Standards Board
Hong Kong Listing Rules	<i>The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
SFO	<i>The Securities and Futures Ordinance</i> (Chapter 571 of the Laws of Hong Kong SAR)
Articles of Association	The performing <i>Articles of Association of Bank of China Limited</i>
Chinese mainland	The Chinese mainland, for the purpose of this report, refers to the People's Republic of China excluding Hong Kong (China), Macao (China) and Taiwan (China).
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, Xizang 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 Shanghai Stock Exchange 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

Important Notice

The Board of Directors, directors 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 legal responsibility for the information in this report.

The 2025 Annual Report and Annual Results Announcement of the Bank have been approved by the Board of Directors of the Bank on 30 March 2026. The number of directors who should attend the meeting is 16, with 15 directors attending the meeting in person. Executive Director Mr. LIU Jin did not attend the meeting in person due to other important business engagements and appointed Executive Director Mr. CAI Zhao as his authorised proxy to attend and vote on his behalf. All of the 16 directors of the Bank exercised their voting rights at the meeting. The Senior Management members of the Bank attended the meeting as non-voting attendees.

The 2025 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.

Mr. GE Haijiao, Legal Representative and Chairman of the Board of Directors of the Bank, Mr. ZHANG Hui, Vice Chairman of the Board of Directors, President and Person in charge of finance and accounting of the Bank, and Mr. WEN Dong, Principal of the accounting department of the Bank, warrant the authenticity, accuracy and completeness of the financial statements in this report.

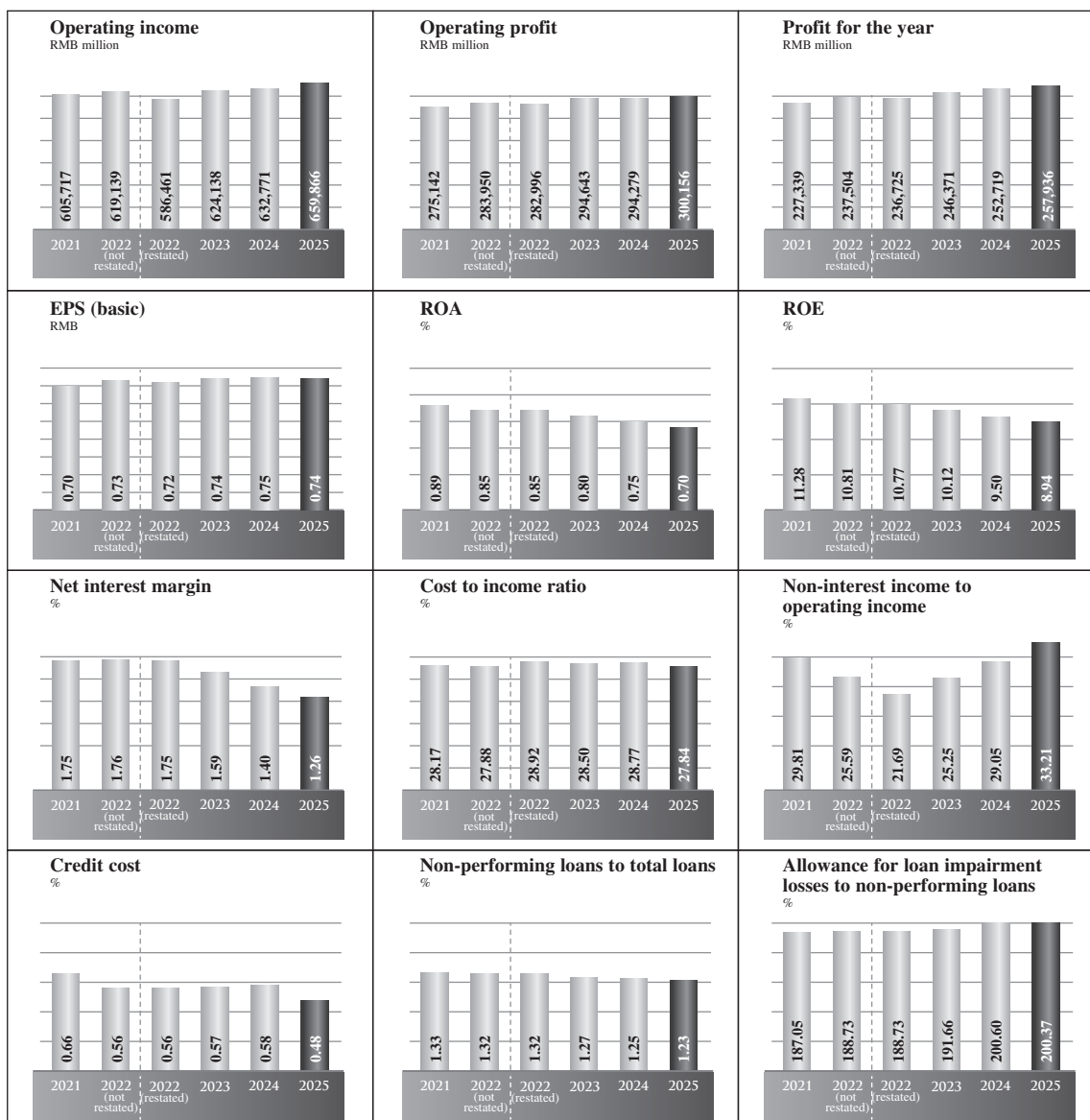
The Board of Directors has recommended a final dividend on ordinary shares for 2025 of RMB1.169 per 10 shares (before tax), subject to approval by the Shareholders' Meeting of the Bank. No capitalisation of the capital reserve to share capital is proposed in this profit distribution. Together with the cash dividends of RMB1.094 per 10 shares (before tax) already paid for the first half of 2025, the annual cash dividend for 2025 will be RMB2.263 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, forecasts and commitments.

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



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	2025	2024	2023	2022 (after restatement)	2022 (before restatement)	2021
Results of operations							
Net interest income	1	440,705	448,934	466,545	459,266	460,678	425,142
Non-interest income	2	219,161	183,837	157,593	127,195	158,461	180,575
Operating income		659,866	632,771	624,138	586,461	619,139	605,717
Operating expenses		(256,623)	(235,770)	(222,933)	(199,506)	(231,196)	(226,355)
Impairment losses on assets	3	(103,087)	(102,722)	(106,562)	(103,959)	(103,993)	(104,220)
Operating profit		300,156	294,279	294,643	282,996	283,950	275,142
Profit before income tax		301,288	294,954	295,608	283,641	284,595	276,620
Profit for the year		257,936	252,719	246,371	236,725	237,504	227,339
Profit attributable to equity holders of the Bank		243,021	237,841	231,904	226,522	227,439	216,559
Total dividends of ordinary shares	4	72,917	71,360	69,593	68,298	68,298	65,060
Financial position							
Total assets		38,358,076	35,061,299	32,432,166	28,893,548	28,913,857	26,722,408
Loans and advances to customers, gross		23,453,492	21,594,068	19,961,779	17,552,761	17,554,322	15,712,574
Allowance for loan impairment losses	5	(577,144)	(539,177)	(485,298)	(437,241)	(437,241)	(390,541)
Financial investments	6	9,659,610	8,360,277	7,158,717	6,435,244	6,445,743	6,164,671
Total liabilities		35,149,952	32,108,335	29,675,351	26,330,247	26,346,286	24,371,855
Due to customers		26,182,431	24,202,588	22,907,050	20,201,825	20,201,825	18,142,887
Capital and reserves attributable to equity holders of the Bank		3,064,044	2,816,231	2,629,510	2,423,973	2,427,589	2,225,153
Share capital		322,212	294,388	294,388	294,388	294,388	294,388
Per share							
Basic earnings per share (RMB)		0.74	0.75	0.74	0.72	0.73	0.70
Dividend per share (before tax, RMB)	7	0.2263	0.2424	0.2364	0.232	0.232	0.221
Net assets per share (RMB)	8	8.36	8.18	7.58	6.98	6.99	6.47
Key financial ratios							
Return on average total assets (%)	9	0.70	0.75	0.80	0.85	0.85	0.89
Return on average equity (%)	10	8.94	9.50	10.12	10.77	10.81	11.28
Net interest margin (%)	11	1.26	1.40	1.59	1.75	1.76	1.75
Non-interest income to operating income (%)	12	33.21	29.05	25.25	21.69	25.59	29.81
Cost to income ratio (%)	13	27.84	28.77	28.50	28.92	27.88	28.17
Capital ratios							
Net common equity tier 1 capital	14	2,622,071	2,344,261	2,161,825	1,991,342	1,991,342	1,843,886
Net additional tier 1 capital		380,637	419,025	408,447	381,648	381,648	329,845
Net tier 2 capital		943,159	842,286	727,136	573,481	573,481	525,108
Common equity tier 1 capital adequacy ratio (%)		12.53	12.20	11.63	11.84	11.84	11.30
Tier 1 capital adequacy ratio (%)		14.34	14.38	13.83	14.11	14.11	13.32
Capital adequacy ratio (%)		18.85	18.76	17.74	17.52	17.52	16.53
Asset quality							
Credit-impaired loans to total loans (%)	15	1.23	1.25	1.27	1.32	1.32	1.33
Non-performing loans to total loans (%)	16	1.23	1.25	1.27	1.32	1.32	1.33
Allowance for loan impairment losses to non-performing loans (%)	17	200.37	200.60	191.66	188.73	188.73	187.05
Credit cost (%)	18	0.48	0.58	0.57	0.56	0.56	0.66
Allowance for loan impairment losses to total loans (%)	19	2.47	2.50	2.44	2.50	2.50	2.49
Exchange rate							
USD/RMB year-end central parity rate		7.0288	7.1884	7.0827	6.9646	6.9646	6.3757
EUR/RMB year-end central parity rate		8.2355	7.5257	7.8592	7.4229	7.4229	7.2197
HKD/RMB year-end central parity rate		0.9032	0.9260	0.9062	0.8933	0.8933	0.8176

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 2025 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 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 2025 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 = operating and administrative expenses ÷ operating income × 100%. The cost to income ratio is calculated in accordance with CAS.
- 14 The capital ratios from 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

LIU Chenggang

Office Address:

No. 1 Fuxingmen Nei Dajie, Xicheng District,
Beijing, China

Telephone: (86) 10-6659 2638

E-mail: ir@bankofchina.com

Listing Affairs Representative

JIANG Zhuo

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No. 1 Fuxingmen Nei Dajie, Xicheng District,
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E-mail: ir@bankofchina.com

Registered Address

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Beijing, China

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No. 1 Fuxingmen Nei Dajie, Xicheng District,
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Postal Code: 100818

Telephone: (86) 10-6659 6688

Facsimile: (86) 10-6601 6871

Website: www.boc.cn

www.bankofchina.com

Customer Service and Complaint Hotline:

(86) Area Code-95566

Place of Business in Hong Kong SAR

Bank of China Tower, 1 Garden Road, Central,
Hong Kong, China

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

Jun He Law Offices

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

Office Address:

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

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

Third Tranche

Stock Name: 中行優 3

Stock Code: 360033

Fourth Tranche

Stock Name: 中行優 4

Stock Code: 360035

Sponsors for Continuous Supervision and Guidance**CITIC Securities Company Limited**

Place of Business:

North Tower, Excellence Times Plaza (II), No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong, China

Signing Sponsors:

PENG Yuan, WANG Chen

Period of Continuous Supervision and Guidance:
17 June 2025 to 31 December 2026

BOC International (China) Co., Ltd.

Place of Business:

39th Floor, Bank of China Building, No. 200 Yincheng Middle Road, Pudong New District, Shanghai, China

Signing Sponsors:

DONG Wendan, HE Zhou

Period of Continuous Supervision and Guidance:
17 June 2025 to 31 December 2026

Message from the Chairman

As the year turned, 2025 proved to be another extraordinary year for Bank of China in its journey to build itself into a strong financial institution and contribute to developing a stronger financial sector in China. We thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and the plenary sessions of the 20th CPC Central Committee, and faithfully acted on the policy directions set out in the Central Economic Work Conference and the Central Financial Work Conference. Finding guidance in the Party's leadership and strength through Party building efforts, we continued to promote high-quality development, delivered steady growth, maintained robust risk control, and strengthened our global network and international competitiveness. All key objectives set in the Group's "14th Five-Year Plan" were achieved on schedule.

As at the end of 2025, the Group's total assets and liabilities surpassed RMB38 trillion and RMB35 trillion, respectively, an increase of 9.40% and 9.47% from the previous year-end. Operating income and profit for the year reached RMB659.9 billion and RMB257.9 billion, up 4.28% and 2.06% year-on-year, respectively. The Group's non-performing loan (NPL) ratio stood at 1.23%, down 0.02 percentage points from the previous year-end. The Board of Directors has proposed a final cash dividend of RMB1.169 per 10 shares for 2025. Combined with the interim cash dividend already fully distributed, the total annual cash dividend amounts to RMB2.263 per 10 shares, representing a payout ratio of 30%.

We supported the real economy towards innovation-driven and higher-quality growth, fulfilling our responsibilities as one of the country's leading banks. During the year, the Group's outstanding RMB loans and advances increased by RMB1.84 trillion, and bond investment increased by RMB1.26 trillion. We stepped up financing support for major national strategies, key areas, and weak links, as well as the implementation of a raft of incremental policies. Inclusive loans to micro and small-sized enterprises increased by over 21% from the previous year-end. Lending to the elderly care industry recorded double-digit growth, while loans supporting employment grew by over 63%, and domestic personal consumer loans also rose by 28%. Meanwhile, we advanced the transformation and upgrade of our business systems and technology architecture, and consistently improved the quality and efficiency of financial services through technological innovation. We also led the market in payment facilitation for international visitors to China.

We further optimized our global network and proactively contributed to high-standard opening up. Globalisation remained front and centre in our development strategy and in 2025, the share of profit before income tax from overseas commercial banks and overseas comprehensive operation companies in the Group's total rose to 27.99%; the number of cross-border settlement clients surpassed 400,000 and the annual volume of cross-border e-commerce settlement exceeded the RMB-trillion threshold, both for the first time; and our lead in the domestic market for foreign currency deposits and loans and for foreign exchange settlement and sales were further strengthened. We provided comprehensive support for high-quality Belt and Road cooperation, participating in a number of signature projects as well as “small but beautiful” livelihood projects. We made sustained efforts to promote the international use of RMB, becoming one of the first pilot banks for Payment Connect and remaining the global leader in the number of RMB clearing banks, volumes of cross-border RMB clearing and settlement, and Panda bond underwriting. We also became the first bank in China to build its own global custody capabilities, established a proprietary global custody network covering more than 100 countries and regions, and maintained the largest scale of global custody among Chinese banks. In addition, we partnered with and supported major national-level expos and exhibitions, helping connect global investors with opportunities in China.

We continued to pursue high-quality development as our top priority and enhance the Group's governance efficiency. To enhance the role of the Party's leadership in corporate governance, we clarified the responsibilities of the Party Committee, and those of the Shareholders' Meeting, the Board of Directors, and the Senior Management; completed the reform of the Board of Supervisors, and ensured smooth, efficient, and legally-compliant operation of the Board of Directors. We redoubled efforts to advance Group-wide initiatives, including business transformation, deep reforms, and infrastructure and foundational capabilities building. We dynamically refined the performance assessment mechanism and put more emphasis on competitiveness enhancement and longer-term results, promoting a proper balance among scale, pricing, risk, and efficiency. We accelerated transition to adapt to the low-interest-rate environment, and registered stronger relative performance than major peers in key indicators such as operating income, profit for the year, and net interest margin. We remain committed to creating value for shareholders and enhancing investor returns. In recent years, the Bank has maintained a relatively high dividend payout ratio and ensured timely dividend payments to guarantee the interest of investors. We were among the first to complete replenishment of RMB165 billion in common equity tier 1 (CET1) capital, raising our CET1 capital adequacy ratio to its highest level on record. We advanced special governance programs for subsidiaries, and secured our leading position among the major state-owned banks in terms of profit contribution from diversified operations.

We remained focused on both development and security, and held firmly the bottom line of risk management and compliance. We responded to changes in the external environment effectively and assisted Chinese enterprises in managing cross-border risks. At the same time, we made every effort to prevent and mitigate financial risks in key areas. Our overall NPL ratio remained at a relatively low level; and the balance and ratio of our overseas NPLs both declined. We further strengthened our enterprise risk management system, enhancing controls over credit risk concentration and reinforcing long-term mechanisms for internal control and compliance management. And we adopted a coordinated approach to manage both traditional and non-traditional risks, giving emphasis to full-lifecycle ESG risk management for clients, climate change adaptation, and workplace safety system. We also maintained stable IT system operations and made steady gains in our technology capabilities.

The achievements over the past year would not have been possible without the strong leadership of the CPC Central Committee and the guidance and support from our shareholders, regulators, and partners. They are also the result of the diligence of the Board members and Senior Management members, and of the hard work, ingenuity, and dedication of all our employees. On behalf of the Board of Directors, I would like to extend our highest respect and heartfelt gratitude to you all.

As President Xi Jinping noted in his 2026 New Year Message, “The dream lofty, the journey long – bold strides will get us there.” The year 2026 marks the beginning of the 15th Five-Year Plan and an important year for driving high-quality development in China. We will continuously enhance our sense of political responsibility and historical mission, establish and practice a correct understanding of what it means to perform well, hold firm ideals and convictions, and emphasise practical work and tangible results. We will remain focused on our core businesses, improve governance, and pursue differentiated development, adhering to the path of financial development with Chinese characteristics.

We will support high-quality socio-economic development and people’s livelihoods. We will increase support for coordinated regional development and key sectors in the economy, as well as for the development of a modern industrial system and key infrastructure projects. We will also vigorously support service consumption, green consumption, and inbound consumption, helping unlock domestic demand and enhancing people’s well-being.

We will focus on core businesses and enhance core competitiveness. We will develop plans to further enhance our global network and international competitiveness, support high-quality Belt and Road cooperation and the integrated development of trade and investment, and fully assist local governments in investment promotion and Chinese enterprises in going global. We will also continue to promote the international use of RMB and contribute to the development of Shanghai and Hong Kong as international financial hubs.

We will advance the “five major tasks” in support of the real economy. We will continue to drive innovation in technology finance and green finance, and support the development of new quality productive forces according to local conditions. We will facilitate roll-out of policy initiatives aimed at expanding employment and further enhance the quality and reach of inclusive finance services. We will enrich the pension finance products and services under the “BOC Pension Finance” brand and increase credit support for the elderly care industry. We will also accelerate adoption of new technologies including artificial intelligence to continuously optimise customer experience, reduce operational costs, and improve management efficiency.

We will deepen reforms and address bottlenecks to high-quality development. We will formulate the Group’s “15th Five-Year Plan” with high standards and push ahead with business transition in the low-interest-rate environment. We will continue to optimise our branch network and enhance productivity per outlet and per employee. We will also advance reform of operation models, improve performance evaluation and resource allocation, and strengthen overseas regional management frameworks.

We will uphold the Party’s leadership and comprehensively enhance governance. We will continue to optimise mechanisms for implementing the major decisions and plans of the CPC Central Committee, translate “Two Affirmations” into concrete actions and resolutely act on “Two Upholds”. We will launch education on establishing and practicing a correct understanding of what it means to perform well, and stick to the people-centred nature of financial work as well as sound and informed decision-making. We will also promote a performance evaluation framework that values diligent execution, solid performance and tangible results, to encourage dedication, fact-based approach and pragmatism, and entrepreneurship among our people and lay a solid foundation for high-quality development.

Having just celebrated the arrival of the Year of the Horse, we are now embarking on a new journey of development. Bank of China will remain guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and charge ahead like horses with courage, vitality, and energy. We will take the initiative and work tirelessly to further enhance our global service capabilities and international competitiveness, ensure a good start to the 15th Five-Year Plan, build the Bank into a stronger financial institution, and support the development of a stronger financial sector, while making greater contributions to the great cause of building a great country and advancing national rejuvenation.

GE Haijiao

Chairman

30 March 2026

Message from the President

Time flows ceaselessly like a river. In 2025, Bank of China earnestly implemented the decisions and plans of the CPC Central Committee and the State Council, upheld its mandate as a major state-owned bank, played a key role in serving the real economy, and acted as a cornerstone for financial stability. Driven by its commitment to high-quality development, the Bank delivered steady improvements across key operating indicators and built stronger momentum for future growth.

We have enhanced operational health and stability. Assets and liabilities grew steadily. The Group's total assets and liabilities increased by 9.40% and 9.47%, respectively, from the prior year-end. **Financial performance also improved**, with operating income and profit for the year growing by 4.28% and 2.06% year-on-year. Return on average total assets and return on average equity stood at 0.70% and 8.94%, respectively, while net interest margin was 1.26%. **Asset quality remained stable**, with the NPL ratio falling by 0.02 percentage points from the end of the previous year. Our capital adequacy ratio increased by 0.09 percentage points from the end of the previous year, ensuring reasonable and sufficient cushion against risk.

We have built up stronger growth momentum. Our core businesses grew both in size and quality. The Group's loans and advances exceeded RMB23.45 trillion and bond investments surpassed RMB9.25 trillion, while customer deposits rose by 8.18% year-on-year. **Our advantage in globalisation expanded further**, with overseas commercial banking business and overseas comprehensive operations contributing 22.18%, 23.88%, and 27.99% of the Group's total assets, operating income, and profit before income tax, respectively. **And our diversified operations continued to thrive**, as shown in the growing profit contribution from our comprehensive operations.

A year's hard work has paid off. Over the past year, the Bank consistently pursued high-quality development as our top priority, accelerated business transition amid a low-interest-rate environment, and achieved positive progress across various fronts.

Channelling greater resources to support the real economy. To facilitate the implementation and transmission of macro policies, we tailored our services to local development needs and maintained our lead in credit support. **To help boost domestic demand and consumption**, we vigorously supported large-scale equipment upgrade and consumer goods trade-in programmes, as well as projects aligned with major national strategies or aimed at strengthening security capacity in key areas. Outstanding loans for equipment upgrades exceeded RMB150 billion; the balance of domestic personal consumer loans increased by RMB113.9 billion; and the transaction volume of foreign card acquiring rose by 75.73% year-on-year, facilitating easier payments for international visitors in China. **To promote the development of a modern industrial system**, we became one of the first to launch an action plan to support the AI industrial chain. And our total outstanding loans to the manufacturing sector and our outstanding medium- and long-term manufacturing loans approached RMB3.5 trillion and RMB1.5 trillion, respectively.

Building ecosystems and advancing the “five major tasks”. We consolidated our strengths in technology finance. We launched the “BOC Integrated Sci-Tech Customer Cultivation Programme”, and by the end of 2025, we had provided RMB4.82 trillion of technology loans to a total of 171.8 thousand enterprises. Also, we were among the first to issue sci-tech innovation bonds, totalling RMB20 billion. **We maintained our lead in green finance.** Green loans, on a comparable basis, increased by 27.83% from the beginning of the year, retaining a leading market position, while our green bond investment scale and green bond underwriting volume ranked among the top in the industry. **We expanded the scale and reach of inclusive finance,** with approximately RMB2.77 trillion in inclusive loans granted to over 1.8 million micro and small-sized enterprises; the balance of agriculture-related loans continued to grow as well, effectively supporting rural revitalisation. **We doubled down on pension finance across multiple product and service lines,** forming the “BOC Pension Finance” brand, which includes the financial products of “Yi Yang Tong Xin” and “Sui Yue Chang Qing”. Over 3 million new customers contributed to personal pension accounts, while pension funds under custody reached RMB1.32 trillion and entrusted pension funds totalled RMB318.0 billion. **We also utilised digital finance to boost business development.** Monthly active users of our personal mobile banking services reached 105 million, representing a year-on-year increase of 7.11%; and our e-CNY retail transaction volume maintained a leading position in the market.

Strengthening comprehensive service capabilities and creating synergy. We sustained strong growth in our overseas operations. Globalisation remained front and centre in our development strategy, and our overseas institutions recorded 11.20% and 6.91% growth in operating income and profit before income tax, respectively. **We actively supported China’s international cooperation.** We supported high-quality Belt and Road cooperation, and by the end of 2025, we had followed up on over 1,400 projects in BRI participating countries, committing over USD439 billion in credit support; and maintained our lead in international trade settlement, global custody, underwriting of offshore Chinese bonds, overseas syndicated loans, and cross-border M&A loans. **We continued to promote the international use of RMB.** Bank of China (Mauritius) was newly designated as the local RMB clearing bank, bringing the total number of RMB clearing banks that we operate to 16 as at the end of 2025. **At the same time, we improved our ability to provide comprehensive and integrated financial services.** We optimised our integrated service mechanism featuring global expertise accessible at any point of contact, and the number of financing projects driven by comprehensive operations increased significantly.

Reinforcing risk management and balancing development and security. Further improving our enterprise risk management system, we established a systemic risk prevention mechanism, strengthened look-through monitoring down to the primary level, and enhanced integration of risk management across domestic and overseas operations. **For more effective credit risk management,** we put up stronger controls in key sectors, resulting in new NPLs declining quarter by quarter; and made positive progress in the cash recovery of on-balance-sheet NPLs and the recovery of off-balance-sheet NPLs. **Internal control and compliance management also improved.** We strengthened internal governance and case prevention, enhanced long-term compliance mechanisms and consumer rights protection mechanisms, and delivered solid results in anti-money laundering and overseas compliance management.

With the return of spring comes a new beginning. A successful venture should start with a good plan and with clear goals set. The year 2026 marks the beginning of the 15th Five-Year Plan; and we recognise that success favours those who act with enterprise and dedication. Bank of China will adopt more pragmatic and effective measures, resolutely implement the decisions and plans of the CPC Central Committee, consolidate and expand its strengths in global operations and diversified business platforms, to create higher value to repay the trust and support of our customers, investors, and society, and make greater contributions to China's goals of building itself into a country with a strong financial sector.

ZHANG Hui

President

30 March 2026

Management Discussion and Analysis

FINANCIAL REVIEW

Economic and Financial Environment

In 2025, the global economy demonstrated considerable resilience amid uncertainties, with diverging performances across major economies. The multilateral trading system suffered shocks from trade protectionism, bringing certain inflationary pressures, while geopolitical conflicts continued to disrupt global industrial and supply chains, affecting economic growth. Developed economies faced growth challenges. The US economy continued to expand with declining growth rate, while the European and Japanese economies showed marginal weakness. In contrast, emerging economies increasingly came to the fore as primary drivers of global economic growth.

Major economies entered a rate-cutting cycle. In 2025, the Federal Reserve reduced rates three times in succession, totalling 75 basis points, and the European Central Bank cut rates four times in the first half of the year, totalling 100 basis points. Meanwhile, The Bank of Japan proceeded with interest rate hikes. The U.S. dollar exchange rate fluctuated downward, while exchange rates of emerging economies generally recovered. The combined scale of global sovereign debt increased, with notable differences in bond market performances across major economies. Global stock markets remained bullish, while commodity price trends displayed pronounced divergence.

China's economy achieved steady growth and solid results in terms of high-quality development. With more proactive and vigorous macroeconomic policies in place, consumption grew steadily, manufacturing investment continued to expand, and the structure of imports and exports was further optimised. Industrial production increased, the service sector experienced steady growth, and the consumer price index (CPI) for residents remained stable. The main targets for economic and social development were successfully achieved. In 2025, China's gross domestic product (GDP) increased by 5.0% year-on-year, total retail sales of consumer goods grew by 3.7% year-on-year, the added value of industrial enterprises above designated size increased by 5.9% year-on-year, and national manufacturing investment increased by 0.6% year-on-year. The total value of goods imports and exports increased by 3.8% year-on-year, with a trade surplus of RMB8.5 trillion. The CPI remained flat compared with last year.

China implemented an appropriately accommodative monetary policy through a mix of quantitative, pricing and structural monetary policy tools. It ensured rapid growth in aggregate financial volume, reduced overall social financing costs, continuously optimised the credit structure and maintained RMB exchange rate basically stable at an adaptive and equilibrium level, thereby creating a favorable monetary and financial environment for economic growth. By the end of 2025, the outstanding broad money supply (M2) was RMB340.3 trillion, up 8.5% year-on-year. Outstanding RMB loans stood at RMB271.9 trillion, up 6.4% year-on-year. Aggregate Financing to the Real Economy (AFRE) reached RMB442.1 trillion, up 8.3% year-on-year. The Shanghai Stock Exchange Composite Index stood at 3,969 points, up 18.4% from the prior year-end. The central parity rate of the RMB against the U.S. dollar was 7.0288, an appreciation of 2.3% compared with the prior year-end.

China's banking sector steadily advanced the "five major tasks" of the financial sector, continuously increased financial supply for major national strategies, key areas and weak links, and served domestic demand expansion and high-quality social and economic development. It increased support for the optimisation and upgrading of traditional industries, future-oriented industries, strategic emerging industries and specialised and sophisticated SMEs, as well as high-level scientific and technological self-reliance, thus effectively serving the construction of a modern industrial system and the development of new quality productive forces. The sector facilitated broader use of RMB in cross-border trade and investment and supported the expansion of China's high-level opening up. It prevented and defused risks in key areas, kept major risk regulatory indicators within an appropriate range, and maintained sufficient capacity to withstand risks. As at the end of 2025, the total assets of China's banking financial institutions stood at RMB480.0 trillion, an increase of 8.0% from the previous year-end. Total liabilities were RMB441.5 trillion, an increase of 8.2% from the previous year-end. Commercial banks accumulated a net profit for the year of RMB2.4 trillion, up 2.3% year-on-year. Outstanding non-performing loans (NPLs) stood at RMB3.5 trillion as at the end of the year, with an NPL ratio of 1.50%. The provision coverage rate was 205.21%, and the capital adequacy ratio was 15.46%.

Statement of Profit or Loss Analysis

Focused on the primary task of supporting high-quality development, the Bank remained committed to "pursuing progress while maintaining stability and promoting stability through progress". It continuously reduced costs, improved quality and optimised efficiency, thus steadily enhancing its financial performance. In 2025, the Group achieved an operating income of RMB659.866 billion, an increase of RMB27.095 billion or 4.28% compared with the prior year. It achieved a profit for the year of RMB257.936 billion, an increase of RMB5.217 billion or 2.06% compared with the prior year. It realised a profit attributable to equity holders of the Bank of RMB243.021 billion, an increase of RMB5.180 billion or 2.18% compared with the prior year. Return on average total assets (ROA) was 0.70% and return on average equity (ROE) was 8.94%.

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

Unit: RMB million, except percentages				
Items	2025	2024	Change	Change (%)
Net interest income	440,705	448,934	(8,229)	(1.83%)
Non-interest income	219,161	183,837	35,324	19.21%
Including: net fee and commission income	82,237	76,590	5,647	7.37%
Operating income	659,866	632,771	27,095	4.28%
Operating expenses	(256,623)	(235,770)	(20,853)	8.84%
Impairment losses on assets	(103,087)	(102,722)	(365)	0.36%
Operating profit	300,156	294,279	5,877	2.00%
Profit before income tax	301,288	294,954	6,334	2.15%
Income tax expense	(43,352)	(42,235)	(1,117)	2.64%
Profit for the year	257,936	252,719	5,217	2.06%
Profit attributable to equity holders of the Bank	243,021	237,841	5,180	2.18%

A detailed review of the Group's principal items in each quarter of 2025 is summarised in the following table:

Unit: RMB million

Items	For the three-month period ended			
	31 December 2025	30 September 2025	30 June 2025	31 March 2025
Operating income	167,751	162,697	164,507	164,911
Profit attributable to equity holders of the Bank	65,361	60,069	63,227	54,364
Net cash inflow/(outflow) from operating activities	760,804	17,587	74,102	(40,463)

Net Interest Income and Net Interest Margin

In 2025, the Group achieved net interest income of RMB440.705 billion, a decrease of RMB8.229 billion or 1.83% compared with the prior year. Specifically, interest income stood at RMB1,000.907 billion, a decrease of RMB70.632 billion or 6.59% compared with the prior year, and interest expense stood at RMB560.202 billion, a decrease of RMB62.403 billion or 10.02% compared with the prior year.

Interest Income

In 2025, interest income on loans and advances to customers was RMB671.474 billion, a decrease of RMB73.881 billion or 9.91% 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 RMB234.580 billion, an increase of RMB17.452 billion or 8.04% 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 RMB94.853 billion, a decrease of RMB14.203 billion or 13.02% compared with the prior year, mainly due to a decline in both the scale and yield of balances with central banks and due from and placements with banks and other financial institutions.

Interest Expense

In 2025, interest expense on due to customers was RMB403.892 billion, a decrease of RMB53.594 billion or 11.71% compared with the prior year, primarily owing to a decline in the interest rate of customer deposits.

Interest expense on due to and placements from banks and other financial institutions was RMB102.552 billion, a decrease of RMB4.565 billion or 4.26% compared with the prior year, which was mainly attributable to a decline in the interest rate of due to and placements from banks and other financial institutions

Interest expense on bonds issued was RMB53.758 billion, a decrease of RMB4.244 billion or 7.32% compared with the prior year, mainly owing to a decline in the interest rate of bonds issued.

Net Interest Margin

In 2025, the Group's net interest margin was 1.26%, a decrease of 14 basis points compared to the previous year. The average interest rate of the Group's interest-earning assets decreased by 49 basis points, mainly affected by factors such as the reduction of the domestic RMB Loan Prime Rate (LPR) and the decline in foreign currency market interest rates. In the face of downward pressure on interest rates, the Bank actively strengthened active management, adhered to the coordinated development of volume and pricing, and continuously reinforced the control of deposit costs, driving the average interest expense rate on interest-bearing liabilities down by 37 basis points, effectively slowing the downward trend of the net interest margin. The proportion of the average balance of RMB medium and long-term loans and advances to customers in the Chinese mainland accounted for 71.66% of the Bank's total RMB loans and advances to customers in the Chinese mainland, maintaining a high level.

The average balances¹ 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 factor², are summarised in the following table:

Unit: RMB million, except percentages

Items	2025			2024			Analysis of changes in interest income/expense		
	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	22,690,887	671,474	2.96%	20,924,523	745,355	3.56%	62,883	(136,764)	(73,881)
Financial investments	8,209,322	234,580	2.86%	6,823,464	217,128	3.18%	44,070	(26,618)	17,452
Balances with central banks and due from and placements with banks and other financial institutions	4,192,222	94,853	2.26%	4,371,073	109,056	2.49%	(4,453)	(9,750)	(14,203)
Total	35,092,431	1,000,907	2.85%	32,119,060	1,071,539	3.34%	102,500	(173,132)	(70,632)
Interest-bearing liabilities									
Due to customers	24,668,824	403,892	1.64%	23,020,745	457,486	1.99%	32,797	(86,391)	(53,594)
Due to and placements from banks and other financial institutions	5,209,546	102,552	1.97%	4,300,602	107,117	2.49%	22,633	(27,198)	(4,565)
Bonds issued	2,160,092	53,758	2.49%	1,991,152	58,002	2.91%	4,916	(9,160)	(4,244)
Total	32,038,462	560,202	1.75%	29,312,499	622,605	2.12%	60,346	(122,749)	(62,403)
Net interest income		440,705			448,934		42,154	(50,383)	(8,229)
Net interest margin			1.26%			1.40%			(14)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:

Items	2025		2024		Change	
	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	12,317,310	2.72%	10,982,008	3.14%	1,335,302	(42)Bps
Personal loans	6,009,518	3.15%	5,910,777	3.76%	98,741	(61)Bps
Trade bills	1,059,463	0.92%	658,561	1.18%	400,902	(26)Bps
Total	19,386,291	2.76%	17,551,346	3.28%	1,834,945	(52)Bps
Including:						
Medium and long-term loans and advances	13,892,776	2.97%	13,013,658	3.47%	879,118	(50)Bps
Short-term loans and advances within 1 year and others	5,493,515	2.22%	4,537,688	2.74%	955,827	(52)Bps
Due to customers						
Corporate demand deposits	3,969,918	0.39%	4,065,055	0.72%	(95,137)	(33)Bps
Corporate time deposits	4,533,285	2.14%	4,303,251	2.47%	230,034	(33)Bps
Personal demand deposits	3,231,299	0.06%	3,004,793	0.17%	226,506	(11)Bps
Personal time deposits	6,782,425	2.04%	5,990,076	2.40%	792,349	(36)Bps
Other	685,787	1.95%	687,740	2.35%	(1,953)	(40)Bps
Total	19,202,714	1.39%	18,050,915	1.67%	1,151,799	(28)Bps
Foreign currency businesses in the Chinese mainland	Unit: USD million, except percentages					
Loans and advances to customers	30,372	4.56%	45,808	4.82%	(15,436)	(26)Bps
Due to customers						
Corporate demand deposits	72,853	2.61%	52,515	2.34%	20,338	27Bps
Corporate time deposits	29,623	3.25%	31,307	3.62%	(1,684)	(37)Bps
Personal demand deposits	26,902	0.02%	21,742	0.02%	5,160	Remain Unchanged
Personal time deposits	21,259	1.83%	19,747	1.94%	1,512	(11)Bps
Other	1,031	2.23%	1,454	2.20%	(423)	3Bps
Total	151,668	2.16%	126,765	2.20%	24,903	(4)Bps

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

Non-interest Income

In 2025, the Group reported non-interest income of RMB219.161 billion, an increase of RMB35.324 billion or 19.21% compared with the prior year. Non-interest income represented 33.21% of operating income, remaining at a relatively high level.

Net Fee and Commission Income

The Group earned net fee and commission income of RMB82.237 billion, an increase of RMB5.647 billion or 7.37% compared with the prior year. This was primarily attributable to the Bank focusing on the customers' diverse financial needs and capturing opportunities arising from increased capital market activity, as well as greater efforts to expand businesses such as wealth management and asset custody, which resulted in an increase in revenues from agency business and custodian and other fiduciary services.

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

Unit: RMB million, except percentages

Items	2025	2024	Change	Change (%)
Group				
Agency commissions	26,172	20,661	5,511	26.67%
Bank card fees	14,011	13,124	887	6.76%
Settlement and clearing fees	17,153	16,812	341	2.03%
Credit commitment fees	9,334	10,191	(857)	(8.41%)
Consultancy and advisory fees	8,419	8,370	49	0.59%
Spread income from foreign exchange business	5,576	5,800	(224)	(3.86%)
Custodian and other fiduciary service fees	6,892	6,397	495	7.74%
Other	7,892	7,232	660	9.13%
Fee and commission income	95,449	88,587	6,862	7.75%
Fee and commission expense	(13,212)	(11,997)	(1,215)	10.13%
Net fee and commission income	82,237	76,590	5,647	7.37%
Chinese mainland				
Agency commissions	18,441	15,931	2,510	15.76%
Bank card fees	10,728	10,069	659	6.54%
Settlement and clearing fees	15,313	14,962	351	2.35%
Credit commitment fees	3,367	3,835	(468)	(12.20%)
Consultancy and advisory fees	7,195	7,392	(197)	(2.67%)
Spread income from foreign exchange business	5,261	5,457	(196)	(3.59%)
Custodian and other fiduciary service fees	6,028	5,529	499	9.03%
Other	4,734	4,631	103	2.22%
Fee and commission income	71,067	67,806	3,261	4.81%
Fee and commission expense	(8,832)	(7,940)	(892)	11.23%
Net fee and commission income	62,235	59,866	2,369	3.96%

Other Non-interest Income

The Group realised other non-interest income of RMB136.924 billion, an increase of RMB29.677 billion or 27.67% compared with the prior year. The Bank proactively capitalised on financial market fluctuations, recording robust growth in net trading gains and sales revenues of precious metals. Please refer to Notes V.3, 4, 5 to the Consolidated Financial Statements for detailed information.

Unit: RMB million, except percentages

Items	2025	2024	Change	Change (%)
Net trading gains	52,054	36,491	15,563	42.65%
Net gains on transfers of financial assets	14,667	11,399	3,268	28.67%
Other operating income	70,203	59,357	10,846	18.27%
Total	136,924	107,247	29,677	27.67%

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 2025, the Group recorded operating and administrative expenses (including staff costs, general operating and administrative expenses and depreciation and amortisation) of RMB183.270 billion, an increase of RMB2.008 billion or 1.11%. The Group's cost to income ratio was 27.84%, a decrease of 0.93 percentage points compared with the prior year, remaining 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	2025	2024	Change	Change (%)
Staff costs	115,830	113,424	2,406	2.12%
General operating and administrative expenses	45,065	44,237	828	1.87%
Depreciation and amortisation	22,375	23,601	(1,226)	(5.19%)
Cost of sales of precious metal products	30,115	19,739	10,376	52.57%
Insurance service expenses	10,861	11,015	(154)	(1.40%)
Insurance finance expenses	15,511	7,078	8,433	119.14%
Taxes and surcharges	6,307	6,210	97	1.56%
Other	10,559	10,466	93	0.89%
Total	256,623	235,770	20,853	8.84%

Impairment Losses on Assets

The Bank consistently enhanced the proactivity and effectiveness of risk management, ensuring relatively stable credit asset quality. At the same time, it rigorously implemented a prudent and robust risk provisioning policy to maintain adequate ability to withstand risks. In 2025, the Group's impairment losses on assets totalled RMB103.087 billion, an increase of RMB0.365 billion or 0.36% compared with the prior year. The Group's impairment losses on loans totalled RMB107.185 billion. 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 2025, the Group incurred income tax of RMB43.352 billion, an increase of RMB1.117 billion or 2.64% compared with the prior year. The Group's effective tax rate was 14.39%. 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 committed to the nation's new development philosophy, strived to promote high-quality development, dynamically adjusted its business strategies, and continually improved its business structure and financial supply, thus achieving steady growth in its assets and liabilities. As at the end of 2025, the Group's total assets amounted to RMB38,358.076 billion, an increase of RMB3,296.777 billion or 9.40% compared with the prior year-end. The Group's total liabilities amounted to RMB35,149.952 billion, an increase of RMB3,041.617 billion or 9.47% 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 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Assets				
Loans and advances to customers, net	22,876,769	59.64%	21,055,282	60.05%
Financial investments	9,659,610	25.18%	8,360,277	23.84%
Balances with central banks	2,467,104	6.43%	2,467,857	7.04%
Due from and placements with banks and other financial institutions	2,005,917	5.23%	1,955,363	5.58%
Other assets	1,348,676	3.52%	1,222,520	3.49%
Total assets	38,358,076	100.00%	35,061,299	100.00%
Liabilities				
Due to customers	26,182,431	74.49%	24,202,588	75.38%
Due to and placements from banks and other financial institutions and due to central banks	5,475,044	15.58%	4,652,969	14.49%
Other borrowed funds	2,349,233	6.68%	2,099,510	6.54%
Other liabilities	1,143,244	3.25%	1,153,268	3.59%
Total liabilities	35,149,952	100.00%	32,108,335	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” and strengthening support for major national strategies, key areas and weak links in the real economy. As a result, it achieved stable and balanced growth in its loan business. As at the end of 2025, the Group’s loans and advances to customers amounted to RMB23,453.492 billion, an increase of RMB1,859.424 billion or 8.61% compared with the prior year-end. Specifically, the Group’s RMB loans and advances totalled RMB20,355.245 billion, an increase of RMB1,840.725 billion or 9.94% compared with the prior year-end, while its foreign currency loans and advances amounted to USD440.793 billion, an increase of USD12.388 billion or 2.89% 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 2025, the balance of the Group’s allowance for loan impairment losses amounted to RMB577.144 billion, an increase of RMB37.967 billion compared with the prior year-end. The balance of the Group’s restructured NPLs amounted to RMB120.552 billion, an increase of RMB21.803 billion compared with the prior year-end, while the proportion of restructured NPLs within gross loans and advances to customers (excluding accrued interest) was 0.52%, up by 0.06 percentage points.

Loans and Advances to Customers by Geography

Unit: RMB million, except percentages

Items	As at 31 December 2025		As at 31 December 2024		As at 31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Corporate loans and advances						
Chinese mainland: RMB	14,037,435	59.85%	12,219,758	56.59%	10,655,067	53.38%
Foreign currency	222,710	0.95%	246,551	1.14%	353,163	1.77%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	2,322,166	9.90%	2,252,240	10.43%	2,289,792	11.47%
Subtotal	16,582,311	70.70%	14,718,549	68.16%	13,298,022	66.62%
Personal loans						
Chinese mainland: RMB	6,021,226	25.67%	6,029,919	27.93%	5,827,122	29.19%
Foreign currency	1,850	0.01%	1,777	0.01%	1,532	0.01%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	802,127	3.42%	793,340	3.67%	781,311	3.91%
Subtotal	6,825,203	29.10%	6,825,036	31.61%	6,609,965	33.11%
Accrued interest	45,978	0.20%	50,483	0.23%	53,792	0.27%
Total loans and advances to customers	23,453,492	100.00%	21,594,068	100.00%	19,961,779	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 2025, the Group held financial investments of RMB9,659.610 billion, an increase of RMB1,299.333 billion or 15.54% compared with the prior year-end. Specifically, the Group's RMB financial investments totalled RMB7,069.005 billion, an increase of RMB843.514 billion or 13.55% compared with the prior year-end, while foreign currency financial investments totalled USD368.570 billion, an increase of USD71.593 billion or 24.11% 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 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Financial assets at fair value through profit or loss	757,713	7.84%	600,297	7.18%
Financial assets at fair value through other comprehensive income	4,630,814	47.94%	4,388,945	52.50%
Financial assets at amortised cost	4,271,083	44.22%	3,371,035	40.32%
Total	9,659,610	100.00%	8,360,277	100.00%

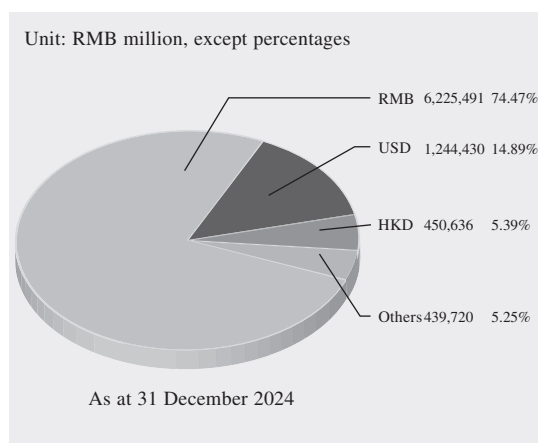
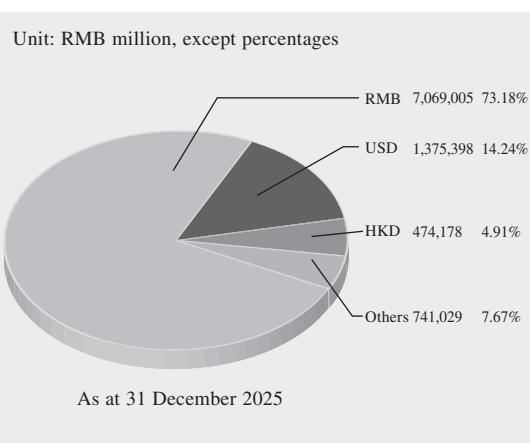
Financial Investments by Issuer Type

Unit: RMB million, except percentages

Items	As at 31 December 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Debt securities				
Issuers in the Chinese mainland				
Government	4,827,077	49.97%	4,295,801	51.39%
Public sector and quasi-governments	150,232	1.56%	155,572	1.86%
Policy banks	947,392	9.81%	847,708	10.14%
Financial institutions	596,003	6.17%	496,676	5.94%
Corporates	311,448	3.22%	202,891	2.43%
China Orient Asset Management Corporation	152,431	1.58%	152,433	1.82%
Subtotal	6,984,583	72.31%	6,151,081	73.58%
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions				
Governments	1,280,355	13.26%	1,121,050	13.41%
Public sector and quasi-governments	559,162	5.79%	297,081	3.55%
Financial institutions	289,103	2.99%	285,766	3.42%
Corporates	139,281	1.44%	139,119	1.66%
Subtotal	2,267,901	23.48%	1,843,016	22.04%
Equity instruments and others	407,126	4.21%	366,180	4.38%
Total	9,659,610	100.00%	8,360,277	100.00%

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

Financial Investments by Currency



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 2022	17,530	3.18%	2032-03-11	–
Bond issued by policy banks in 2022	15,893	2.98%	2032-04-22	–
Bond issued by policy banks in 2022	15,810	2.90%	2032-08-19	–
Bond issued by financial institutions in 2025	15,080	1.85%	2028-02-28	–
Bond issued by policy banks in 2022	15,012	2.96%	2032-07-18	–
Bond issued by policy banks in 2022	14,669	2.82%	2027-06-17	–
Bond issued by policy banks in 2019	14,286	3.65%	2029-05-21	–
Bond issued by policy banks in 2019	14,111	3.74%	2029-07-12	–
Bond issued by policy banks in 2022	13,490	2.77%	2032-10-24	–
Bond issued by policy banks in 2022	13,415	3.00%	2032-01-17	–

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, continuously improved the quality and efficiency of financial services, promoting high-quality development in its deposit business. It focused on expanding low-cost funds by actively developing key businesses such as payroll services, fast payment services, third-party depository services, cash management services, and wealth management. In this way, it promoted RMB deposit growth while controlling costs. At the same time, the Bank bolstered its efforts to serve national strategies and high-level opening up by providing integrated services tailored to global customers' financial needs, achieving solid growth in foreign currency deposits. As at the end of 2025, the Group's due to customers amounted to RMB26,182.431 billion, an increase of RMB1,979.843 billion or 8.18% compared with the prior year-end. Specifically, the Group's RMB due to customers totalled RMB20,707.947 billion, an increase of RMB1,373.775 billion or 7.11% compared with the prior year-end, while its foreign currency due to customers stood at USD778.865 billion, an increase of USD101.605 billion or 15.00% 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 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Group				
Corporate deposits				
Demand deposits	5,668,520	21.65%	5,518,065	22.80%
Time deposits	6,515,073	24.89%	5,955,203	24.61%
Structured deposits	320,170	1.22%	284,886	1.18%
Subtotal	12,503,763	47.76%	11,758,154	48.59%
Personal deposits				
Demand deposits	4,424,673	16.90%	4,163,121	17.20%
Time deposits	8,043,354	30.72%	7,318,692	30.24%
Structured deposits	353,694	1.35%	189,584	0.78%
Subtotal	12,821,721	48.97%	11,671,397	48.22%
Certificates of deposits	421,423	1.61%	324,563	1.34%
Others	435,524	1.66%	448,474	1.85%
Total	26,182,431	100.00%	24,202,588	100.00%
Chinese mainland				
Corporate deposits				
Demand deposits	4,657,495	21.59%	4,697,363	23.52%
Time deposits	4,969,541	23.03%	4,460,242	22.33%
Structured deposits	310,989	1.44%	269,867	1.35%
Subtotal	9,938,025	46.06%	9,427,472	47.20%
Personal deposits				
Demand deposits	3,693,296	17.12%	3,527,461	17.66%
Time deposits	7,221,361	33.47%	6,445,918	32.27%
Structured deposits	316,388	1.47%	157,924	0.80%
Subtotal	11,231,045	52.06%	10,131,303	50.73%
Others	405,830	1.88%	413,271	2.07%
Total	21,574,900	100.00%	19,972,046	100.00%

Note: "Others" is inclusive of accrued interest.

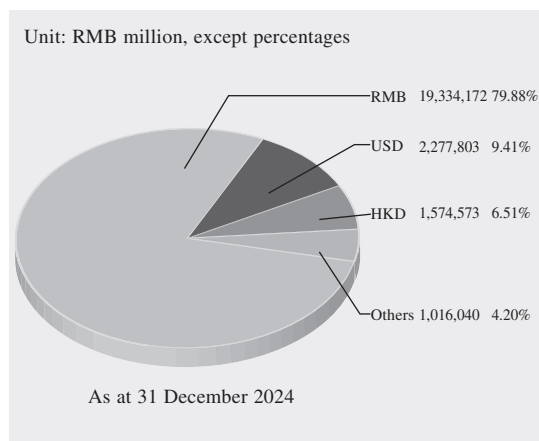
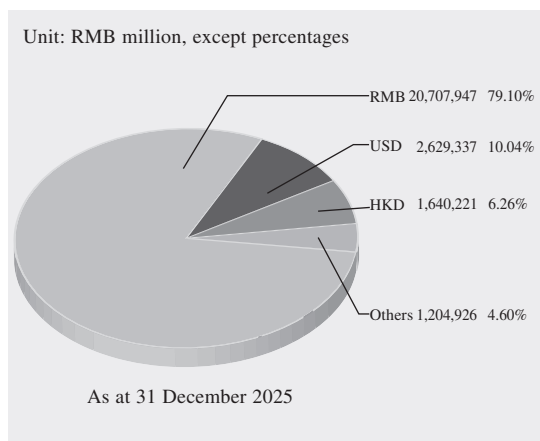
Due to Customers by Geography

Unit: RMB million, except percentages

Items	As at 31 December 2025		As at 31 December 2024		As at 31 December 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Corporate deposits						
Chinese mainland: RMB	9,144,565	34.93%	8,862,649	36.63%	8,734,967	38.13%
Foreign currency	793,460	3.03%	564,823	2.33%	662,103	2.89%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	2,565,738	9.80%	2,330,682	9.63%	2,133,252	9.31%
Subtotal	12,503,763	47.76%	11,758,154	48.59%	11,530,322	50.33%
Personal deposits						
Chinese mainland: RMB	10,871,726	41.52%	9,810,514	40.53%	8,926,078	38.97%
Foreign currency	359,319	1.37%	320,789	1.33%	302,198	1.32%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	1,590,676	6.08%	1,540,094	6.36%	1,452,195	6.34%
Subtotal	12,821,721	48.97%	11,671,397	48.22%	10,680,471	46.63%
Certificates of deposits	421,423	1.61%	324,563	1.34%	310,212	1.35%
Others	435,524	1.66%	448,474	1.85%	386,045	1.69%
Total deposits	26,182,431	100.00%	24,202,588	100.00%	22,907,050	100.00%

Note: "Others" includes accrued interest.

Due to Customers by Currency



Liability Quality Management

The Bank continually strengthened its liability quality management to consolidate its foundations for business development. It diversified its funding sources and actively optimised its liability structure, thus achieving steady development in the Group's liability business. In addition, it earnestly implemented regulatory requirements on liability quality management. In line with its business strategy, risk appetite and overall business characteristics, the Bank effectively managed the sources, structure and cost of its liabilities to match the development path of its liability business, with relevant indicators meeting internal and external management requirements. By further expanding customer deposits, strengthening internal and external pricing management, improving market financing capabilities and appropriately managing the degree of mismatch in the terms and currencies of its liabilities, the Bank continuously improved its liability quality management capabilities.

Equity

As at the end of 2025, the Group's total equity stood at RMB3,208.124 billion, an increase of RMB255.160 billion or 8.64% compared with the prior year-end. This was primarily attributable to the following factors: (1) In 2025, the Group realised a profit for the year of RMB257.936 billion, among which profit attributable to equity holders of the Bank amounted to RMB243.021 billion. (2) The Bank made steady progress in external capital replenishment. It successfully offered A Shares to specified investors, realising total proceeds of RMB165.0 billion, and issued RMB70.0 billion of undated capital bonds. At the same time, the Bank strengthened the management of its existing capital instruments, redeeming USD2.82 billion of Offshore Preference Shares (Second Tranche) and RMB90.0 billion of undated capital bonds. (3) As per the 2024 dividend distribution plan and the interim dividend distribution plan for 2025 approved at the General Meeting, a cash dividend of RMB71.048 billion was paid out on ordinary shares. (4) The Bank paid a dividend on its preference shares of RMB3.4233 billion and interest on undated capital bonds of RMB10.330 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, 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. 41 to the Consolidated Financial Statements for detailed information.

In 2025, the Bank adhered to the principle of steady development, continued to enrich its off-balance sheet products, strengthened the collaboration of its on and off-balance sheet products and fully leveraged the characteristic strengths of its off-balance sheet business, including its extensive marketing and service coverage, to enhance its comprehensive financial services capabilities. It strengthened coordinated management and comprehensive risk management, enhanced relevant policies and procedures, and clarified the development strategy of its off-balance sheet business, thus consolidating the foundations for its future development.

Cash Flow Analysis

As at the end of 2025, the balance of the Group's cash and cash equivalents was RMB2,304.843 billion, a decrease of RMB64.086 billion compared with the prior year-end.

In 2025, net cash flow from operating activities was an inflow of RMB812.030 billion, an increase of RMB261.064 billion compared with the prior year. This was mainly attributable to an increase in net increase in due to central banks.

Net cash flow from investing activities was an outflow of RMB1,071.960 billion, an increase of RMB265.974 billion compared with the prior year. This was mainly attributable to an increase in the financial investments.

Net cash flow from financing activities was an inflow of RMB188.625 billion, an increase of RMB76.765 billion compared with the prior year. This was mainly attributable to proceeds from the issuance of A shares.

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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Net interest income	368,309	374,077	50,409	49,054	22,087	24,011	(100)	1,792	440,705
Non-interest income	135,462	119,645	75,848	63,035	9,677	5,999	(1,826)	(4,842)	219,161	183,837
Including: net fee and commission income	62,235	59,866	14,697	12,531	5,897	5,265	(592)	(1,072)	82,237	76,590
Operating expenses	(196,562)	(185,454)	(51,104)	(42,629)	(10,403)	(9,729)	1,446	2,042	(256,623)	(235,770)
Impairment losses on assets	(90,405)	(92,010)	(11,997)	(8,992)	(571)	(1,932)	(114)	212	(103,087)	(102,722)
Profit before income tax	217,380	216,712	63,790	60,686	20,712	18,352	(594)	(796)	301,288	294,954
As at the year-end										
Assets	31,360,889	28,610,177	5,940,576	5,711,254	2,997,622	2,585,646	(1,941,011)	(1,845,778)	38,358,076	35,061,299
Liabilities	28,758,735	26,227,714	5,432,860	5,228,267	2,895,952	2,495,304	(1,937,595)	(1,842,950)	35,149,952	32,108,335

As at the end of 2025, total assets³ of the Bank's Chinese mainland segment amounted to RMB31,360.889 billion, an increase of RMB2,750.712 billion or 9.61% compared with the prior year-end, representing 77.82% of the Group's total assets. In 2025, this segment recorded a profit before income tax of RMB217.380 billion, an increase of RMB0.668 billion or 0.31% compared with the prior year, representing 72.01% 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 2025, total assets of the Hong Kong (China), Macao (China) and Taiwan (China) segment amounted to RMB5,940.576 billion, an increase of RMB229.322 billion or 4.02% compared with the prior year-end, representing 14.74% of the Group's total assets. In 2025, this segment recorded a profit before income tax of RMB63.790 billion, an increase of RMB3.104 billion or 5.11% compared with the prior year, representing 21.13% of the Group's profit before income tax.

As at the end of 2025, total assets of the other countries and regions segment amounted to RMB2,997.622 billion, an increase of RMB411.976 billion or 15.93% compared with the prior year-end, representing 7.44% of the Group's total assets. In 2025, this segment recorded a profit before income tax of RMB20.712 billion, an increase of RMB2.360 billion or 12.86% compared with the prior year, representing 6.86% 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

Items	2025		2024	
	Amount	% of total	Amount	% of total
Commercial banking business	593,031	89.87%	574,964	90.86%
Including: Corporate banking	244,156	37.00%	238,879	37.75%
Personal banking	260,084	39.41%	258,703	40.88%
Treasury operations	88,791	13.46%	77,382	12.23%
Investment banking and insurance	41,307	6.26%	31,892	5.04%
Others and elimination	25,528	3.87%	25,915	4.10%
Total	659,866	100.00%	632,771	100.00%

Please refer to Note V.44 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 2025	As at 31 December 2024	Change
Due from and placements with banks and other financial institutions at fair value, etc.	96,401	24,518	71,883
Financial assets at fair value through profit or loss			
Debt securities	500,071	371,973	128,098
Equity instruments	121,356	124,604	(3,248)
Fund investments and other	136,286	103,720	32,566
Loans and advances to customers at fair value	1,234,892	904,446	330,446
Financial assets at fair value through other comprehensive income			
Debt securities	4,576,985	4,344,920	232,065
Equity instruments and other	53,829	44,025	9,804
Derivative financial assets	132,841	183,177	(50,336)
Derivative financial liabilities	(131,022)	(153,456)	22,434
Due to and placements from banks and other financial institutions at fair value	(21,343)	(33,140)	11,797
Due to customers at fair value	(44,267)	(45,332)	1,065
Bonds issued at fair value	(2,043)	(1,970)	(73)
Financial liabilities held for trading	(79,717)	(57,604)	(22,113)

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*, 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.

BUSINESS REVIEW

Special Feature I: Advancing the Robust Implementation of the “Five Major Tasks”

In 2025, the Bank earnestly implemented national decisions and plans, took necessary measures to deepen supply-side structural reform in the financial sector, and stepped up financial support for major strategies, key areas and weak links. It advanced the “five major tasks” of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, supported the implementation of the 14th Five-Year Plan, served 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 to enhance the nation’s high-level self-reliance and self-improvement in science and technology, and actively promoted high-level planning, high-standard services and high-quality development in technology finance. It offered solid support for the growth of technological enterprises and the development of technology-related industries, and took concrete steps to fulfil its responsibilities for providing financial services to bolster the nation’s strengths in science and technology. As at the end of 2025, the Bank had provided RMB4.82 trillion of technology loans to a total of 171.8 thousand enterprises, alongside other comprehensive financial services amounting to over RMB890.0 billion in value.

- ✧ **Fully supporting the implementation of major national strategies with the focus on serving overall national interests.** In active response to the national strategy for the development of AI, the Bank implemented an action plan to support the development of the AI industrial chain, and launched the “BOC Sci-Tech Innovation Computing Power Loan” in areas with active AI innovation, such as Beijing, Shanghai and Shenzhen. As at the end of 2025, the Bank had established cooperation with 4,460 core enterprises in the AI industrial chain, with the outstanding credit line reaching RMB545.6 billion. The Bank provided comprehensive financial services of RMB123.5 billion in value to the AI industrial chain, covering equity, bond, insurance and leasing. The Bank launched “Pilot Test Insurance & Financing” in partnership with PICC, and has collaborated with 190 national or ministerial-level pilot test platforms, helping to address financing bottlenecks in the commercialisation of scientific and technological outcomes.

- ✧ **Comprehensively upgrading services for technological enterprises with a customer-centric approach.** The Bank piloted the BOC Sci-Tech Innovation Integrated Customer Cultivation Programme in Beijing, Shanghai, Jiangsu, Shenzhen, Hangzhou, etc., and built a relay-style full-stack fund system and an integrated commercial and investment banking coordination mechanism, continuously developing a replicable and scalable model for integrated sci-tech finance services. Focusing on key areas such as integrated circuits, AI, low-carbon energy and precision medicine, the Bank has nurtured a number of unicorns and newly listed enterprises. The Bank further advanced the “BOC Sci-Tech Innovation Partnership Programme”. As at the end of 2025, a total of 198 sci-tech innovation themed events had been held across the Bank, covering nearly 10,000 institutions of various types, attracting more than 800 investment institutions, and providing a variety of financial matchmaking services for over 7,500 technological enterprises. The Bank fully leveraged its traditional advantages in globalised operations to meet the overseas expansion needs of technological enterprises, offering high-quality cross-border financial services with a focus on resolving the pain points in enterprises’ cross-border fund management.

- ✧ **Continuously strengthening the growth momentum of technology finance with the use of policy tools.** The Bank successfully issued RMB20.0 billion in sci-tech innovation bonds to support sci-tech innovation. The Bank made good use of various re-lending facilities, including those for sci-tech innovation and technical transformation, shareholding increases and share repurchases, ranking among the top in the industry by re-lending amounts. The Bank implemented pilot programmes of M&A loans for technological enterprises, providing financing support for quality technological enterprises in their M&A transactions in Beijing, Shanghai, Shenzhen, etc. The Bank fully supported the establishment of equity investment funds. As at the end of 2025, BOC Asset Investment had established 28 AIC (asset investment company) equity investment funds with a total subscription of RMB23.43 billion; BOCI China had set up 10 sci-tech innovation master funds, with a total subscription of RMB16.68 billion.

Green Finance

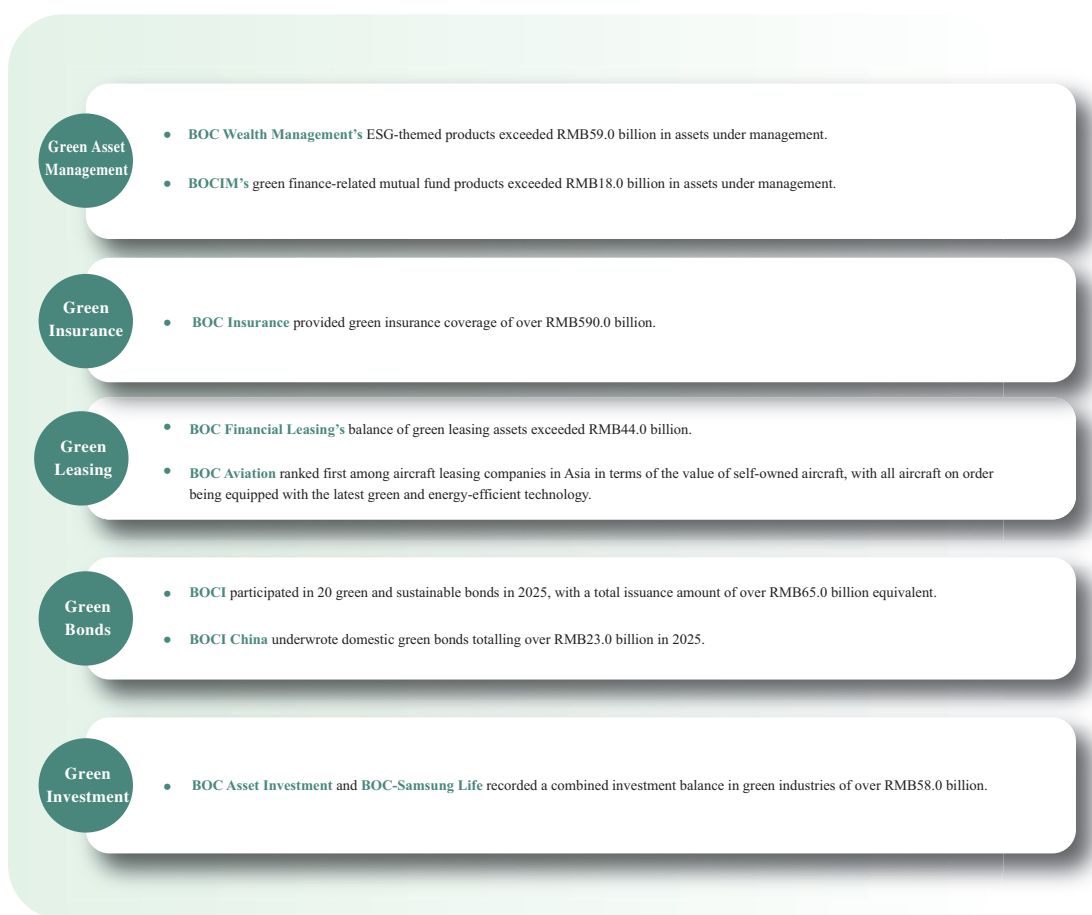
With the goal of becoming the “bank of choice for green financial services”, the Bank continued to refine its supporting measures for green finance, thus promoting a green transition in economic and social development. In 2025, the Bank received multiple green finance-related awards from China Beijing Environment Exchange (CBEEEX), *Global Finance*, *Euromoney*, *The Asset* and other domestic and overseas organisations.

- ✧ **Expanding the scale of green credit through deepen engagement.** The Bank actively 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 provided credit support for the world’s largest single-site photovoltaic (PV) power station currently under construction and the world’s largest pumped-storage hydropower station project. As at the end of 2025, the Bank’s green loan balance (calculated in accordance with PBOC statistical standards) reached RMB4,961.455 billion, a year-on-year increase of 27.83% under the same standards.

- ✧ **Maintaining a leading position in the green bond market through targeted efforts.** In 2025, the Bank issued a RMB30.0 billion green financial bonds, including RMB10.0 billion in floating-rate bonds, which is the largest single issuance of floating-rate bonds by domestic commercial banks. It also issued dual-currency sustainability bonds in GBP and RMB, with the GBP tranche being the first sterling-denominated sustainability bond issued by a Chinese institution. The Bank underwrote RMB428.823 billion in domestic green bonds, ranking first among banking institutions in the green bond underwriting market, as well as USD29.571 billion in overseas green bonds, placing first among Chinese peers in Bloomberg’s “Global Offshore Green Bonds” rankings. Its 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 2025”.
- ✧ **Enriching green financial products and services through coordinated innovation.** The Bank launched dozens of green financial products and services across five categories, covering deposits, loans, bonds, consumer finance and integrated services. This included innovative services such as the world’s first independently certified multi-currency blue deposit programme; “Beautiful Travel & Stay Loan”; pledged financing backed by China Certified Emission Reductions (CCER), and loans secured by water and tidal flat aquaculture rights. As lead underwriter, the Bank assisted the Ministry of Finance in issuing its first green sovereign bond in London, and supported a client in issuing the world’s first green bond to simultaneously comply with both the European Green Bond Standard (EU GBS) and the International Capital Market Association (ICMA)’s Green Bond Principles. The Bank established headquarters-level partnerships with nearly 20 new energy vehicle brands, providing preferential and convenient instalment financing services for new energy vehicle owners. A carbon credit accounting framework was established for individual customers, transforming green behavioural data into carbon-reduction credits.
- ✧ **Strengthening cooperation in green finance development.** The Bank fulfilled its responsibilities under the *Principles for Responsible Banking (PRB)*, the Taskforce on Nature-related Financial Disclosures (TNFD) and other green and ESG-related initiatives and mechanisms. It was serving as Vice-Chair of the China Council of the Sustainable Markets Initiative (SMI), and became the leading Chinese institution of the UK-China Nature & Biodiversity Finance Workstream initiated by the UK-China Green Finance Taskforce. Overseas branches actively supported international conferences on sustainable development in Europe, the Americas, Asia, Africa and other regions, conveying the Bank’s perspective in global forums. The innovation *Bank of China and TNFD Practice* was released at the annual conference of the Green Finance Committee of the China Society for Finance and Banking.

- ✧ **Bolstering talent development and enhancing green finance capabilities.** The Bank continued to advance its green finance talent development system under the 14th Five-Year Plan. Its online green finance training system, consisting of eight modules and over 100 courses, has now received over 1.50 million cumulative views. In addition, it provided multi-faceted in-person training programmes for employees at all levels to enhance the green finance service capabilities of the employee team. The Bank further enhanced its domestic institutions' competitiveness in green finance. During the year, 28 tier-1 and tier-2 branches were selected as green finance model institutions, while 593 outlets were identified as specialised green finance outlets. The Bank also regularly shared industry updates with employees through in-house green finance and ESG publications, sharpening employees' awareness of market developments.

Promoting green development through comprehensive green finance services



Note: The above figures are as of the end of 2025.

Inclusive Finance

The Bank actively served micro and small-sized market entities, enriched its innovative financial products, constantly optimised its service model and strived to build a more convenient service system to better meet customer needs and promote the high-quality development of inclusive finance.

- ✧ **Adhering to people-oriented finance and enhancing the coverage and quality of credit services.** The Bank advanced efforts to “ensure volume, improve quality, stabilise prices and optimise structure” in financial services for micro and small-sized enterprises, better addressing their financing needs and benefitting more market entities. As at the end of 2025, the Bank’s outstanding inclusive finance loans to micro and small-sized enterprises (calculated in accordance with NFRA statistical standards) reached RMB2,770.131 billion, representing an increase of 21.52% compared with the prior year-end and outpacing the Bank’s average overall loan growth rate. The number of inclusive finance customers stood at nearly 1.84 million, up 22.86% year-on-year. The average interest rate of newly issued inclusive finance loans to micro and small-sized enterprises was 2.90%, delivering a steady decline in enterprises’ financing costs. The asset quality of loans to micro and small-sized enterprises remained controllable overall.
- ✧ **Serving the people with financial services and providing targeted support for national development priorities.** The Bank supported the cultivation of new quality productive forces, explored the service model of “technology finance + inclusive finance”, injected new momentum into micro and small-sized enterprises, and promoted its intellectual property pledge financing business. It extended over RMB827.6 billion in loans to more than 57,700 national and provincial-level specialised and sophisticated SMEs. Fulfilling its social responsibility to stabilise and promote employment, the Bank held an “Inclusive Loan for Employment Promotion” themed event for the fourth consecutive year. It provided special-purpose credit support for entities with strong capabilities in stabilising and promoting employment, extending special-purpose loans of RMB565.8 billion to such enterprises in 2025, as well as launching dedicated service initiatives to support entrepreneurship among women and veterans.
- ✧ **Intensifying efforts in key areas and actively serving all-round rural revitalisation.** The Bank supported national food security and the stable production and supply of important agricultural products, consolidated and expanded poverty alleviation achievements, and promoted the development of distinctive industries in counties and townships. It supported new types of agricultural operating entities, constantly enhanced the efficiency of financial services for supporting agriculture, benefitting farmers and increasing farmers’ income. The Bank continued to increase credit support to the agriculture sector, with the balance of agriculture-related loans rising steadily. It further strengthened financial resource allocation to key assisted counties, optimised the layout of its institutions. Having established over 1,600 outlets dedicated to rural revitalisation, it continued to enhance outlet service capabilities for agriculture, rural areas and farmers.

- ✧ **Deepening digital transformation and constantly optimising the service experience.** The Bank upgraded the features and services of its “BOC Inclusive Finance” app and expanded service scenarios to enhance the customer experience. It optimised its “Intelligent Management Platform”, which was honoured with the “Digital Inclusive Finance Technological Innovation Achievement” award at the 7th Digital Inclusive Finance Conference, reflecting continuous improvement in operational management efficiency.

Pension Finance

The Bank actively supported the national strategy of addressing China’s ageing population. It deepened its efforts in the three major areas of pension finance, personal pension finance and elderly care industry finance; focused on the three major customer groups of governments, enterprises and individuals, and continued to develop the “BOC Pension Finance” service system. In 2025, it launched the pension finance brand “BOC Pension Finance”. With the development goal of “leveraging BOC’s century-long heritage to become the first-choice brand in pension finance”, the Bank safeguards retirement assets through professional services, supports elderly customers through a comprehensive product and service ecosystem, and empowers the elderly care industry with diversified services. By connecting stakeholders and segments across the silver economy, the Bank continued to pioneer innovative models and business formats to support the future development of pension finance.

- ✧ **Serving the multi-level, multi-pillar pension insurance system.** Giving full play to its professional capabilities, the Bank provided comprehensive, high-quality services for National Social Security Fund, basic pension insurance, enterprise annuities, occupational annuities, and personal pension funds. It actively explored service innovation for third-generation social security cards and issued the “BOC-China Railway & Banking Expresspay” social security card, the first card to integrate social security, financial services, urban transportation and railway services, achieving a breakthrough by enabling one-stop access to resident services in inter-city transportation scenarios. As at the end of 2025, the Bank had 129 million valid social security cards in circulation, 4.5973 million enterprise annuity individual accounts, entrusted pension funds of RMB318.033 billion and pension funds under custody of RMB1.32 trillion maintaining strong market competitiveness by number of enterprise annuity individual accounts and scale of annuities under custody. As one of the first pilot banks for personal pension services, it fully supported the nationwide implementation of the personal pension system, developed comprehensive financial services for personal pensions including account opening, contributions, investment and withdrawals. It offered four types of personal pension products, including savings, wealth management, insurance and funds, serving over ten million personal pension customers.

- ✧ **Building a one-stop personal pension financial service system.** The Bank further enriched its range of personal pension products, including savings, wealth management, funds and insurance, to provide diversified investment options for its customers. During the year, it introduced 15 eldercare-themed wealth management products and eldercare-themed funds, recording total assets under management of RMB42.824 billion as at the end of 2025. The pension finance section of the Bank’s mobile banking app integrates the three-pillar pension system with various retirement planning products, giving customers a comprehensive view of their pension assets and helping them set goals and make clear saving plans. All business outlets under the jurisdiction fully implemented elderly-friendly service standards, with more than 1,000 pension finance outlets established and over 200 “Community Elderly Care Service Alliances” formed. The Bank held the sixth “BOC 99 Pension Finance” themed month, launching a series of exclusive financial products and carrying out various senior-friendly and elderly-respecting activities to promote consumption within the silver economy.

- ✧ **Supporting the high-quality development of the elderly care industry and the silver economy.** The Bank utilised PBOC relending facilities for service consumption and elderly care to further increase financial support for the supply of products and services to elderly customers, the construction of new elderly-oriented infrastructure, the elderly-friendly upgrading of existing facilities, and the research, development and design of intelligent elderly-assistive devices. These efforts enhanced the precision and efficiency of financial resource allocation in support of the silver economy. As at the end of 2025, the scale of loans to the elderly care industry achieved double-digit growth compared with the previous year-end. Leveraging its global service network, cross-border expertise and integrated service capabilities, the Bank held an elderly-oriented supply-demand matchmaking event as well as industry seminars and exchanges as part of the “Elderly Care Industry Partners Programme” during the China International Fair for Trade in Services (CIFTIS) and the China International Import Expo (CIIE), promoting connectivity between global elderly care resources and the domestic market. It also released the “Bank of China *Long-term Care Insurance+* Comprehensive Financial Plan”, offering a range of services for government agencies, elderly care institutions and elderly customers.

Digital Finance

The Bank continued to harness the potential of financial technology to drive digitalisation. Taking the digital transformation and upgrading of financial services as its core focus, integration into the digital economy ecosystem as a key breakthrough, and risk management as its fundamental principle, the Bank leveraged its enhanced technological and data capabilities to empower growth in the digital economy and promote the high-quality development of digital finance.

- ✧ **Reinforcing development foundations and pursuing the integrated and coordinated enhancement of technology and data capabilities.** The Bank optimised the layout of its computing power infrastructure and advanced the orderly development of data centres in four locations. It accelerated the transformation of its technological architecture, building independent, controllable, secure and efficient financial infrastructure. The Bank formulated an “AI+” development plan, established a large-model platform, and deployed a range of

models, including DeepSeek, to enhance its marketing, customer service, operation, office work and R&D functions, with more than 400 AI assistants put into operation. It advanced “data-driven business empowerment” and “business-oriented data application”, completed the “Bring in Every Single Grain” project, and integrated a total of 94,000 data sheets into the Group’s data lake, achieving full coverage of valid data across the Head Office and branches. It also promoted the establishment of a data labelling centre, with the total number of data labels exceeding 10,000 and usage frequency significantly higher compared with the beginning of the year.

- ✧ **Deepening digital operations and empowering the construction of Digital China.** With a focus on core areas such as AI and computing power infrastructure, it fully supported breakthroughs in the development of the digital industry, while also boosting the in-depth digital transformation of traditional industries. As at the end of 2025, outstanding loans to the digital economy exceeded RMB880.0 billion, representing an increase of 7.62% compared with the prior year-end. In corporate banking, the Bank introduced products including e-invoices, asset management plans, shipping express services, letters of credit to its domestic corporate online banking platform. It also launched a dedicated section for foreign exchange and upgraded more than 140 services, such as account inquiry, transfer and remittance, and electronic receipt inquiry and download. Corporate mobile banking was upgraded to version 6.0 and introduced new features such as e-invoices, a dedicated foreign exchange section, shipping express services and digital currency functions, driving rapid growth in active customers. In personal banking, the number of monthly active mobile banking users reached 104.90 million, up 7.11% year-on-year. The Bank actively promoted consumption using e-CNY, with related annual transaction volumes totalling RMB27.762 billion and the cumulative number of active merchants reaching 13.69 million, both ranking among the top in the market. The total number of personal wallets (Category 2 and above) and corporate master wallets across the Bank reached 25.57 million.

- ✧ **Upgrading intelligent risk control and safeguarding the bottom line of secure development.** The Bank established an integrated mechanism for intelligent risk control

across the Head Office and branches, and strengthened management of its unified credit system. It introduced a concentration risk dashboard to support the management of concentration risk and asset quality. The Group's comprehensive risk management portal recorded a daily average of over 200,000 calls, providing intelligent tools for the Head Office and branches. The Bank published the *Action Plan for the Digital and Intelligent Transformation of Risk Management of Bank of China*, created an "1+N" model system for intelligent risk control, and optimised its mechanism for digital and intelligent risk management transformation.

- ✧ **Expanding its global presence and further sharpening its competitive advantages.** The Bank enhanced its cross-border service capabilities for global cash management, accelerated functional upgrades and consolidated its leadership in the cross-border cash pool business. "BOC Cross-border E-Business Express", a cross-border e-commerce settlement product, provided one-stop digital finance services for new forms of foreign trade. Its annual turnover totalled RMB1.2 trillion, surpassing the RMB1 trillion milestone for the first time. The Bank advanced connectivity of its overseas institutions to local clearing systems, engaging in direct participation in 96 overseas clearing systems as at the end of 2025. Overseas corporate online banking services were available in 56 countries and regions and in 14 languages, while overseas personal mobile banking services were available in 31 countries and regions and in 12 languages, maintaining a leading position among Chinese peers.

Commercial Banking in the Chinese Mainland

The Bank actively fulfilled its mission and responsibilities as a major financial institution, effectively implemented the country's macroeconomic policies, and strived to act as a primary driver in serving the real economy. In 2025, the Group's commercial banking business in the Chinese mainland recorded an operating income of RMB487.937 billion, an increase of RMB9.762 billion or 2.04% compared with the prior year. Details are summarised in the table below:

Unit: RMB million, except percentages

Items	2025		2024	
	Amount	% of total	Amount	% of total
Corporate banking business	201,872	41.37%	197,119	41.22%
Personal banking business	231,387	47.42%	232,100	48.54%
Treasury operations	53,473	10.96%	47,831	10.00%
Others	1,205	0.25%	1,125	0.24%
Total	487,937	100.00%	478,175	100.00%

Corporate Banking

Centring on the needs of the real economy, the Bank continuously advanced the high-quality development of its corporate banking business. It actively served the building of a modern industrial system and stepped up credit support to major national strategies, key areas and weak links of the economy. It enhanced the quality of services supporting the establishment of industrial systems for advanced manufacturing and the digital economy, and promoted the region-specific development of new quality productive forces. Leveraging its financial strength, the Bank supported coordinated regional development in areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and the Yangtze River Economic Belt, assisting the implementation of national strategies. It developed a marketing mechanism covering the entire product line for corporate banking customers, improving its responsiveness to customer demand for financial products. The Bank built a customer-centric corporate customer service system, refined its tiered and classified management system for various customer groups, including large, medium, small and micro-sized enterprises, and recorded improvements in both the size and quality of its customer base. As of the end of 2025, the total number of corporate clients increased by 13.88% compared to the previous year-end. In 2025, the Group's corporate banking business in the Chinese mainland recorded operating income of RMB201.872 billion.

Corporate Deposits

Adhering to the principle of coordinated development of volume and pricing, the Bank continued to promote the high-quality development of its deposit business. It continued to enhance its customer-centric philosophy and improve its tiered customer marketing management system to strengthen its comprehensive service capabilities. The Bank further optimised its business structure, enhanced pricing capability, balanced risk with development, and continued to achieve reasonable growth in quantity alongside effective improvement in quality. It also gave full play to the strategic positioning of its administrative institution business. In light of more proactive fiscal policies, the Bank focused on the core concerns of government entities and provided them with comprehensive financial services. As at the end of 2025, RMB corporate deposits of the Bank's commercial banking business in the Chinese mainland totalled RMB9,143.963 billion, an increase of RMB281.737 billion or 3.18% from the prior year-end, indicating a further improvement in market competitiveness. Foreign currency corporate deposits amounted to USD112.887 billion, an increase of USD34.313 billion or 43.67% from the prior year-end, maintaining the leading position among peers.

Corporate Loans

The Bank closely tracked customer financing needs, increased credit supply to major national strategies, key areas and weak links, and effectively improved the quality and efficiency of its service to the real economy. It supported the nation's high-level self-reliance and strength in science and technology, and increased credit supply to strategic emerging industries to assist in the building of a modern industrial system. The Bank served the nation's ecological conservation strategy, improved its green credit products and services and created the BOC Green Finance brand, thereby contributing to sustainable social and economic development. It supported the strategy of expanding domestic demand, optimised financial services for the manufacturing sector and private enterprises, accelerated the development of scenario ecosystems, achieved breakthroughs in online products, and helped to deepen supply-side structural reform. It served the rural revitalisation strategy, supported the development of modern agriculture, and consolidated and expanded poverty alleviation achievements. The Bank supported coordinated regional development and increased credit support for key industries according to local conditions, thereby injecting financial momentum into the building of a regional economic layout characterised by complementary advantages and high-quality development. It fully leveraged the advantages of its integrated commercial and investment banking structure to comprehensively serve customers' needs across the entire chain of M&A transactions. In 2025, the Bank was honoured the Tianji Award for "2025 Outstanding M&A Financing Bank" by *Securities Times*. It supported the national strategy of mutually beneficial opening up, releasing a white paper on serving enterprises' global expansion needs as well as action plans for assisting China's "Going Global" automakers and private enterprises. It strengthened economic and trade cooperation with overseas countries and diligently delivered financial services to support Belt and Road financial cooperation. As at the end of 2025, RMB corporate loans and advances of the Bank's commercial banking business in the Chinese mainland amounted to RMB13,971.156 billion, an increase of RMB1,815.779 billion or 14.94% from the prior year-end, while foreign currency corporate loans and advances amounted to USD30.854 billion. Corporate green loans, loans to private enterprises, and loans to the manufacturing industry increased by 28.41%, 18.35% and 17.18%, respectively, compared with the prior year-end.

Special column: Contributing to a New Landscape of Coordinated Development

The Bank deeply fulfilled its responsibilities as a major state-owned bank and worked in close alignment with the coordinated regional development. Guided by the “one master plan + N regional action plans” framework, the Bank focused on key areas, strengthened resource coordination, enriched products and services and continuously optimised financial supply, injecting strong financial momentum into a regional economic layout characterised by complementary advantages and high-quality development.

Promoting the coordinated development of the three major growth drivers and building high-quality development engines. In line with the priority of relieving Beijing of functions nonessential to its role as China’s capital, the Bank supported the coordinated development of the Beijing-Tianjin-Hebei region, facilitated finance companies of central state-owned enterprises in achieving seamless migration of financial services during the relocation process, and provided financial support for key regional projects including the Beijing-Tangshan Intercity Railway, Beijing-Xiong’an High-Speed Railway and Xiong’an-Daxing Airport Express. With an emphasis on the principles of “integration” and “high-quality”, the Bank supported shared progress across the Yangtze River Delta. Leveraging the region’s resources in sci-tech innovation, it strengthened its technological leadership and launched the “Yangtze River Delta G60 Sci-Tech Innovation Corridor Globalisation Alliance Service Solution”, providing technology enterprises with diversified financial services including equity, loans, bonds, insurance and leasing. The Bank increased connectivity and facilitated deeper regional integration in the GBA, supporting the building of a world-class urban agglomeration. It served as lead arranger for syndicated loans in major projects such as the Hong Kong-Zhuhai-Macao Bridge and the Shenzhen-Zhongshan Link, supporting the “hard connectivity” of infrastructure, while also rolling out innovative cross-border services, including cross-border remittances via mBridge and cross-border RMB settlement for payment institutions, promoting the “soft connectivity” of rules and mechanisms.

Supporting the green development of the Yangtze River Economic Belt and the Yellow River Basin, and consolidating the ecological foundation for high-quality development. The Bank consistently implemented the strategic requirements of “stepping up conservation of the Yangtze River and stopping its over-development” in the Yangtze River Economic Belt and that “priority should be given to environmental conservation and the key lies in environmental governance” for the Yellow River Basin. It practiced green finance, increased the supply of green loans and green bonds, and continued to deepen efforts in key areas including environmental protection and restoration along the Yangtze River, the green transition of industries in provinces and cities along the river, and the construction of major water conservancy infrastructure in the Yellow River Basin, thus supporting the high-quality development of the Yangtze River and Yellow River green development belts.

Increasing financial resources for the large-scale development of western China, the full revitalisation of northeast China and initiatives for “Promoting the Rise of Central China”, and advancing coordinated regional development. The Bank seized opportunities arising from the development of clusters of regional central cities, optimised the precise allocation of financial resources to key cities and critical links, and strengthened the factor agglomeration capability of regional economies. Given the concentration of major agricultural provinces in the central, western and northeastern regions, the Bank aligned with the national goal of food security and supported local agriculture and rural modernisation. Based on the agricultural resources of major grain-producing areas, it focused on the “One County, One Product” strategy and launched innovative inclusive finance credit products with an emphasis on boosting grain output, increasing farmers’ income, developing local specialty agricultural products and promoting rural e-commerce.

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 equity investment services. Through its professional services, it assisted in the development of multi-level domestic capital markets while meeting customers’ direct financing needs. During the year, the Bank ranked among the top in China’s interbank bond market in terms of bond underwriting volume, and ranked first in the market in terms of placement volume of credit bonds of the National Association of Financial Market Institutional Investors. Steadfastly promoting the development of green finance, the Bank led the market in green bond underwriting. It also participated in the underwriting of the first batch of sci-tech innovation bonds to assist technology enterprises and equity investment institutions to raise funds through bond issuance, as well as engaging in the underwriting of the first wave of innovative products such as M&A notes and pension bonds. The Bank ranked first in the underwriting volume of Panda bonds for the 12th consecutive year, and of Chinese offshore bonds and offshore RMB bonds for several years in a row. The underwriting scale of its asset securitisation business ranked first among peers. The Bank comprehensively met customer needs for bond underwriting and distribution, asset securitisation and equity financing, and provided professional investment banking 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.

Deepening cooperation with various types of financial institutions. The Bank maintained correspondent relationships with more than 1,500 institutions around the world and has opened 1,630 cross-border RMB clearing accounts for correspondent banks from 117 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 700 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 terms of amount under custody of bonds invested by overseas institutions in the China interbank bond market (CIBM).

Actively promoting RMB internationalisation. The Bank held global roadshows and conducted market promotion for RMB international usage business, using the Chinese capital market as the starting point to provide comprehensive RMB investment and financing services as well as promoting commercial utilisation under currency swap agreements.

Establishing multi-level partnerships with sovereign institutions and international multilateral financial institutions. The Bank assisted the Asian Infrastructure Investment Bank, New Development Bank, Asian Development Bank, African Export-Import Bank and the governments of Hungary and the Emirate of Sharjah in issuing Panda bonds.

Enriching product supply in capital markets. The Bank supported a pilot programme for gold investment by insurance funds, formulating a service scheme to support insurance funds' participation in the Shanghai Gold Exchange and providing trading quotation, custody and margin depository services for six insurance company members. One of the first participants in free trade zone offshore bonds, the Bank launched the world's first Shanghai Free Trade Zone offshore bond project, attracting a large number of overseas investors.

Transaction Banking

The Bank actively supported high-level opening up, fully leveraging its professional strengths in foreign exchange and foreign trade. It continued to deepen the digital and intelligent transformation of its transaction banking business, coordinating domestic and international markets and resources to steadily enhance the quality and efficiency of its service to the real economy.

Tapping into cross-border services to increase support for trade and investment facilitation. The Bank continuously improved its foreign trade support system by formulating a range of service programmes, including measures to stabilise foreign trade and initiatives to enhance cross-border trade facilitation, so as to help foreign trade enterprises achieve stable and sustainable development. Cross-border settlement volumes recorded steady growth. The Bank continued to promote foreign exchange facilitation measures and iteratively upgraded services such as the “BOC Cross-border Remittance Express”, online trade document services and letters of guarantee. During the year, the international settlement volume and cross-border RMB settlement volume of the Group’s domestic institutions exceeded USD4.45 trillion and RMB17.7 trillion, respectively, maintaining leading market position and further consolidating the Bank’s competitive advantages in foreign trade-related documents and letters of guarantee. The Bank also achieved rapid growth in emerging forms of foreign trade. By enhancing its comprehensive service system for cross-border e-commerce, which offers customers “full-chain support and global responsiveness”, the Bank recorded an annual cross-border e-commerce settlement volume of RMB1.18 trillion, a year-on-year increase of 45%, retaining its position as market leader. It comprehensively enhanced the quality and efficiency of its global cash management services, achieving full coverage of international financial centres, global currencies, benchmark industries, and central state-owned enterprises “Going Global”. The Bank rolled out Integrated RMB and Foreign Currency Cash Pooling for Multinational Corporations across 26 pilot provinces and municipalities, leading the market in the scale of cross-border cash pools.

Pursuing innovation while upholding fundamental principles, and improving the quality and effectiveness of corporate domestic business services. The Bank further strengthened its foundational corporate banking services by carefully crafting and refining its corporate account processes, thereby achieving simplified account opening, self-service account changes and centralised account closure. It accelerated the optimisation of its remittance service processes through form simplification and intelligent reporting, and promoted intensive corporate remittance operations to empower enterprises with efficient and convenient financial services. The Bank provided comprehensive supply-chain trade financing services for customers, covering products such as bills, letters of credit, and electronic vouchers for accounts receivable. It launched the “BOC Bill e-Connect” business model to meet the payment and financing needs of industrial-chain customer groups for one-stop, immediate bill issuance and discounting. As at the end of 2025, the number of RMB corporate settlement accounts increased by 12.49% year-on-year. In 2025, the amount incurred of supply-chain trade financing reached RMB3.1 trillion, increased by 37% compared with the previous year.

Special column: Injecting Financial Momentum into the Building of a Modern Industrial System

The Bank is fully committed to the implementation of national strategies. With a focus on deepening innovation in financial services, it comprehensively served the upgrading of traditional industries, the development of emerging and future-oriented industries, and the establishment of a modern infrastructure system. The Bank continuously injected new financial momentum into efforts to consolidate and upgrade the modern industrial system, with the aim of achieving fresh breakthroughs, reinforcing its growth foundations and empowering its development. As at the end of 2025, the balances of the Bank's overall and medium to long-term manufacturing loans amounted to nearly RMB3.5 trillion and RMB1.5 trillion, respectively, which is 2.4 times and 3.3 times the amount at the beginning of the 14th Five-Year Plan period.

Consolidating and upgrading the modern industrial system, and helping traditional industries move up the value chain. Traditional industries are the anchor of the national economy and the foundation of the modern industrial system. Since the start of the 14th Five-Year Plan, the Bank has actively supported the high-end, intelligent and green development of the manufacturing sector. As at the end of 2025, the balance of the Bank's loans to high-tech manufacturing exceeded RMB700.0 billion, 2.5 times that at the beginning of the 14th Five-Year Plan period.

Achieving breakthroughs in the modern industrial system by empowering emerging growth drivers through financial strength. In 2025, the added value of China's new industries, new business forms and new business models accounted for an increasing proportion of GDP year by year. Strategic emerging industries, including new energy, new materials, aerospace and the low-altitude economy, have demonstrated accelerated clustering effects. The Bank continuously provided targeted financial support to strategic emerging industries, with the balance of loans to such industries exceeding RMB3.2 trillion as at the end of 2025.

Reinforcing the foundation and empowering the development of the modern industrial system by building modern infrastructure. A modern infrastructure system is both the "backbone" and "lifeline" of the modern industrial system. Fully leveraging its professional advantages, the Bank supported the construction of modern infrastructure through financial services. As at the end of 2025, the balance of the Bank's infrastructure-related loans, including loans for electric power and heat, transportation and water conservancy, stood at nearly RMB5 trillion.

Inclusive Finance

The Bank deeply committed to serving the broad mass of inclusive customers, focused on key industries and weak links, and enhanced service quality and efficiency, helping to improve people's well-being. The bank continued to leverage its distinctive advantages such as the "credit factory" model, optimised business processes, and strived to build a scenario-based, data-intelligent financial service model. As at the end of 2025, the Bank's outstanding inclusive finance loans to micro and small-sized enterprises (calculated in accordance with NFRA statistical standards) reached RMB2,770.131 billion, representing growth of 21.52% compared with the prior year-end. The number of customers totalled nearly 1.84 million, up by 22.86% compared with the prior year-end. The Bank advanced all-round rural revitalisation, with the balance of agriculture-related loans constantly increasing and the growth of inclusive agriculture-related loans outpacing the Bank's average loan growth rate. The Bank leveraged technology to enhance the quality and efficiency of its services and carried out financing promotion activities for SMEs. It formulated the *Action Plan for Promoting Financing for Specialised and Sophisticated SMEs through the "One Chain per Month" Campaign*, and provided financial support for the development of specialised and sophisticated SMEs. The Bank recorded RMB38.260 billion in intellectual property pledge financing loans, serving over 4,000 customers. Committed to benefitting the people, the Bank targeted groups such as self-employed individuals, new urban residents, foreign trade merchants and veterans, and launched exclusive financial services such as loans for "famous-brand, special, excellent and new products", "Huichuang Loan", and "Huijun Loan".

Pension Business

The Bank faithfully implemented the national strategy of actively responding to the ageing population, fully supported the development of a multi-level and multi-pillar pension insurance system, and promoted the improvement and expansion of its pension business. As at the end of 2025, the Bank's entrusted pension funds reached RMB318.033 billion, an increase of RMB58.942 billion or 22.75% compared with the prior year-end. Enterprise annuity individual accounts held by the Bank reached 4.5973 million, up by 0.1616 million or 3.64% compared with the prior year-end. The Bank provided enterprise annuity services to more than 20,000 institutional customers.

Personal Banking

Adhering to a customer-centric approach, the Bank made every effort to support people's wellbeing and accelerated the high-quality development of personal financial services. As at the end of 2025, the Bank's domestic commercial banking business served approximately 554 million personal customers, an increase of 2.66% compared with the prior year-end. In 2025, the Bank's personal banking business in the Chinese mainland realised an operating income of RMB231.387 billion.

Account Management Business

The Bank is committed to offering inclusive and high-quality account management services. It accelerated the optimisation of basic customer service processes and promoted the paperless transformation of over-the-counter services in key business scenarios such as account opening, transaction limit adjustment and card replacement/renewal, thereby making customer services more convenient. The Bank strengthened its personal pension business and comprehensively upgraded its one-stop comprehensive pension scheme, covering pension account opening, pension contribution and asset management. As at the end of 2025, it provided personal pension account management services for more than ten million customers, with cumulative contributions exceeding RMB10 billion and multiple services ranking among the top in the industry in terms of quality. The Bank continued to promote its Chinese mainland personal account opening witness service in Hong Kong and Macao (known as the "Greater Bay Area Account Opening" service), and provided secure and convenient digital card services. As at the end of 2025, the Bank opened over 440 thousands accounts via its "Greater Bay Area Account Opening" service, an increase of 7.83% compared with the prior year-end. It actively reduced fees and made profit concessions, waiving personal debit card annual fees and management fees for petty accounts.

Wealth Finance Business

Fully adhering to the principles of openness and mutual benefit, the Bank robustly promoted the high-quality development of its wealth management business. It continually enhanced its product selection and management capability in pursuit of a "market-wide + Group-wide" product shelf. It carried out monitoring and evaluation, dynamic optimisation and differentiated allocation based on market conditions. As at the end of 2025, the Bank distributed 2,295 personal wealth management products and 5,246 public mutual fund products, meeting customer demand for wealth management across asset classes, strategies and regions. It steadily expanded cooperation with up to 20 wealth management companies, maintaining a market-leading position. It strengthened product and service innovation, becoming the first in the market to offer actively managed publicly-offered equity mutual fund products with performance-based management fees. It pioneered the introduction of Canadian Dollar-denominated wealth management products and launched new Australian Dollar-denominated wealth management products, maintaining market leadership in terms of the diversity of personal foreign currency wealth management products and ranking first in the market in terms of related outstanding balances. The Bank strengthened its professional asset allocation capabilities, offered wealth allocation recommendations in accordance with customers' risk appetites and market conditions, and provided comprehensive wealth management planning for customers so as to meet their multi-dimensional requirements for liquidity, profitability and safety. It enhanced its whole-process customer service capabilities

and continuously optimised “BOC Investment Strategy”, a global investment strategy information service system covering major asset categories across different time intervals. It expanded its “Fortune” mobile banking community, providing customers with more comprehensive market information and investor education content. As at the end of 2025, 44 cooperating financial institutions had joined the “Fortune” community, covering funds, insurance, securities and wealth management firms, among others. Ongoing efforts were made to optimise the interactive display of wealth management products on the Bank’s mobile banking platform and enhance user-friendliness.

As at the end of 2025, the total financial assets under management of the Group’s personal customers reached RMB17.58 trillion, with a steady expansion of the medium and high-end customer base and related assets under management. The balance of domestic distributed personal wealth management products amounted to RMB1.54 trillion, an increase of 11.80% compared with the prior year-end, and the total volume of distributed publicly-offered mutual fund products amounted to RMB406.321 billion, an increase of 12.73% compared with the prior year-end. In 2025, the sales volume of domestic distributed publicly-offered mutual funds amounted to RMB440.961 billion, a year-on-year increase of 5.70%; distributed personal insurance premiums amounted to RMB48.208 billion, a year-on-year increase of 17.50%, and the sales volume of physical precious metals amounted to RMB74.552 billion, a year-on-year increase of 113.62%. The Bank has established 8,506 wealth management centres and 1,278 prestigious wealth management centres in the Chinese mainland.

In 2025, the Bank received multiple industry awards, including the “Yinghua Award for Excellent Wealth Management Institution” and “Yinghua Award for Excellent Wealth Sales Bank” from *China Fund News*, the “2025 Tianji Award for Wealth Management Bank” from *Securities Times*, and the “Golden Bull Award for Banking Wealth Management Services” from *China Securities Journal*.

Consumer Finance Business

Closely focusing on residents’ consumption needs, the Bank intensified efforts to improve its consumer finance services. Responding promptly to a series of policies aimed at boosting consumption, it issued the *Special Action Plan of Bank of China for Developing Consumer Finance to Support Consumption Recovery*, and systematically developed the “BOC Roadmap” with targeted measures to boost consumption and expand domestic demand. The Bank fully implemented national strategies and plans and continued to increase the provision of housing loans, supporting efforts to stabilise the real estate market. It actively implemented the requirements of the government’s package of financial policies to stabilise markets and anchor expectations, as well as relevant relief measures and fiscal interest subsidies, ensuring that policy benefits reached consumers. As at the end of 2025, RMB personal loans of the Bank’s commercial banking business in the Chinese mainland reached RMB6,021.226 billion.

Private Banking Business

The Bank continued to develop globalised, comprehensive and customised private banking services. It enhanced the investment advisory services by regularly publishing global asset allocation strategy reports. It optimised the product distribution layout across the full product

spectrum, introduced cross-border private FOF (fund of funds) products to strengthen its global allocation capabilities. The Bank provided customised asset allocation solutions and enhanced the intelligence of asset allocation. Focusing on the protection and inheritance of customers and their families' wealth, it continued to promote the development of trust business. The number of wealth management service trust and charitable trust customers increased by 64% compared with the prior year-end. The Bank enhanced its "Entrepreneur Office" service and upgraded the "GBIC" (Government, Business, Investment, Consumption) forum. The Bank enhanced global integrated services and enabled convenient mutual recognition and benefits sharing for medium and high-end customers between subsidiaries, which has improved the cross-border integrated service experience. Fulfilling its social responsibilities, the Bank has carried out "BOC Private Select-Charity Platform-Spring Bud Project" for 11 consecutive years, promoting the issuance of charitable products and trusts, and carried out the "Eternal Flame" intangible cultural heritage preservation and transmission initiative.

In 2025, the Bank was honoured with "China's Best State-Owned Private Bank" and "Best Private Bank for Impact Investing" by *Euromoney*; "Best Private Bank – National", "Best Private Bank – Wealth Planning", "Best Private Bank – Entrepreneurs" and "Best Private Bank – Philanthropy" by *Asian Private Banker*; "Best Private Bank for Global Entrepreneurs and Business Owners in China" by *The Asian Banker*, and "Outstanding Private Bank" by *China Fund News*. A total of 13 branches of the Bank were listed in the "Top 100 Private Banking Centres" by *Retail Banking*.

Personal Foreign Exchange Business

With a focus on key customers, regions and businesses, the Bank accelerated innovation in personal cross-border products and services, and continued to optimise its service capabilities to consolidate its leading position. It actively supported new connectivity mechanisms for national cross-border payment infrastructure, becoming one of the first banks to launch Payment Connect services between the Chinese mainland and Hong Kong and leading the market in the cumulative scale of related transactions. It continuously facilitated cross-border financial services and implemented facilitation measures such as the digitalisation of the permit to carry foreign currency. As at the end of 2025, the Bank led its domestic peers in transaction volume of personal foreign currency exchange against RMB as well as foreign currency personal deposits. It also continued to lead peers in terms of personal deposit-withdrawal currency coverage, offering 22 currencies, and personal foreign currency cash exchange coverage, offering 36 currencies.

Bank Card Business

The Bank continued to optimise its bank card products and services to meet the comprehensive needs of customers, thereby improving quality and effectiveness in the development of its bank card business.

Enhancing the quality and efficiency of debit card services to support people's wellbeing.

The Bank further enhanced the functionality of its social security cards through “all-in-one card” functional upgrades and launched the “BOC-China Railway & Banking Expresspay” third-generation social security card in Tianjin, becoming the first bank to integrate financial services, social security, and local and inter-city transport in a single card. As at the end of 2025, the Bank had issued a total of 128.5958 million physical social security cards. It actively served the country's rural revitalisation strategy and intensified efforts to promote rural revitalisation-themed debit cards, with a total of 9.2408 million cards issued. To improve its digital service capabilities, the Bank optimised the customer experience in quick payment card binding and payment processes. It launched the innovative “BOC Travel Benefits” quick payment brand and introduced a series of payment incentives to boost consumption across sectors such as travel and tourism, the night-time economy, cross-border consumption and campus life. In 2025, the transaction volume of quick payments via debit cards exceeded RMB8 trillion. As at the end of 2025, the cumulative number of debit cards issued exceeded 738 million.

Fully leveraging its professional credit card service capabilities to meet customers' diverse consumption needs. To implement the national policy of boosting consumption, the Bank continued to advance the high-quality development of its credit card business. Focusing on key customer groups, it upgraded the benefits offered under its “Great Wall” premium product series to private banking, prestigious wealth management and wealth management customers, and introduced a beneficiary-customisable benefits access mechanism. For younger customers, the Bank launched the copybara-themed “YOU Card”, while for culture and tourism customers, it issued the “BOC Hainan Free Trade Port” credit card and the “BOC Sichuan-Chongqing Unbounded Theme Card”, thus enhancing customer loyalty and boosting service experience. The Bank refined its processes and services and forged deep partnerships with leading new energy brands, thereby improving the core competitiveness of its new energy vehicle instalments business. It expanded partnerships across channels in key areas such as home renovation, furnishings and household appliances to provide flexible services to meet residents' diverse consumption needs. The Bank proactively seized opportunities arising from government subsidy programmes, focusing on building key consumption scenarios, including clothing, food, accommodation, transportation and shopping. By deepening cooperation with leading payment institutions such as WeChat Pay and Alipay, the Bank consolidated the customer base for BOC card-binding services, expanded transaction scale and offered payment and bonus point benefits across diversified consumption scenarios to meet the consumption needs of residents. As at the end of 2025, the Bank had issued a cumulative total of 150.0975 million credit cards. The balance of credit card loans reached RMB486.005 billion. Credit card transaction volume amounted to RMB1,103.677 billion. The total instalment volume of credit cards stood at RMB221.827 billion.

Payment Merchant Business

Upholding the principle of “payment for the people”, the Bank adhered to its strategy of improving the customer experience and made solid progress in payment service optimisation.

Aligning with the requirements of key customer groups. The Bank enhanced its payment service capabilities for elderly customers. As at the end of 2025, 100% of its banking outlets had undergone elderly-friendly renovation, and a cumulative total of over 6 million “petty cash packs” had been distributed. In response to overseas visitors’ payment needs for dining, accommodation, transport and travel, the Bank continuously expanded its merchant network, maintained a leading market position in the foreign-card acquiring business and achieved 100% coverage of key merchants designated by the PBOC. It enhanced its ATM service capabilities, offering a 24/7 ATM cash withdrawal service for major overseas international bank cards. ATM interfaces supported multiple languages, and a small-denomination foreign-currency cash-withdrawal function was rolled out in key areas.

Focusing on key business scenarios. The Bank expanded coverage of its Railway e-Card services to 90 inter-city railway lines, covering key areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, serving over 46 million journeys. With a focus on high-frequency scenarios such as international business districts, transportation hubs and culture and tourism venues, it continuously strengthened its support for foreign card acceptance services. In 2025, the transaction volume of foreign card acceptance increased by approximately 75.73% year-on-year.

Providing services for major exhibitions. To vigorously support payment facilitation at major international events, the Bank constructed foreign card acceptance environments for events such as the China Import and Export Fair (Canton Fair), CIIE and CIFTIS, ensuring a smooth and convenient payment experience.

Financial Markets Business

The Bank closely tracked financial market dynamics, actively responded to market changes, leveraged its unique advantages in the financial markets business, strived to ensure prudent and compliant operations and continually adjusted its business structure, thus promoting the high-quality development of its financial markets business.

Investment Business

The Bank constantly strengthened its professional forecast and analysis of macroeconomic and financial market trends, dynamically optimised its portfolio structure and effectively balanced market risks and investment opportunities. It supported the development of the real economy, increased RMB portfolio investments in key areas such as central government bonds, local government bonds, sci-tech innovation bonds, green bonds and private enterprise bonds, retained its position as a leading investor in green debt financing instruments, and participated in the first interbank market sci-tech innovation bond investment. The Bank developed the “FTSE BOC China Local Government Bond Index Series” to support the opening up of China’s bond market. It strengthened active management and diversified investment in its foreign currency portfolios, actively identified high-quality investment opportunities in bonds issued by Belt and Road partner countries, and enhanced portfolio diversification across assets and currencies, thus properly controlling risks while achieving steady growth in the scale and returns of its foreign currency portfolio.

Trading Business

The Bank constantly optimised its financial markets service system, while focusing on improving its comprehensive customer service capabilities.

Sustainably consolidating its leading market position. Enhancing its capabilities in emerging market currencies, the Bank launched foreign currency exchange against RMB for the Serbian Dinar and the Polish Zloty, bringing the total number of quoted foreign currencies against RMB to 42, and executed its first client spot foreign exchange transaction in Brazilian Real. Through these initiatives, the Bank led the domestic market in terms of volume of foreign currency exchange against RMB and the number of tradable foreign currencies. It served over 200,000 corporate customers in foreign currency exchange against RMB, with more than 100,000 corporate customers conducting transactions through online channels. The Bank fully served the real economy, actively advocated the concept of foreign exchange risk neutrality, and used a comprehensive range of financial market trading tools to help enterprises manage exchange rate risk. It continued to improve the functions of its electronic channels and upgraded the quality and efficiency of its hedging services for micro, small and medium-sized enterprises.

Advancing the construction of a multi-level capital market. The Bank supported the development of the “Science and Technology Innovation Board” of the CIBM (China Interbank Bond Market) and jointly created the “Bank of China-Huatai Securities Short-and-Medium-term Sci-tech Innovation Bond Joint Quotation Basket” with Huatai Securities, actively participating in quotation services for the CIBM’s “Financial Sci-Tech Bond Standard Basket”. It supported the development of a multi-level bond market by optimising its over-the-counter (OTC) bond business, enriching product supply and accelerating the expansion of OTC bond market capacity. By actively fulfilling its responsibilities as a core market-maker, the Bank received awards such as “Excellent RMB FX Market Maker” and “Excellent FX Pair Market Maker” from the China Foreign Exchange Trade System for several consecutive years, and maintained its leading position among gold market-makers on the Shanghai Gold Exchange. It continued to enrich and refine its quantitative trading strategies and explored the application of emerging technologies such as artificial intelligence (AI) in trading business scenarios to enhance its market-making and quotation capabilities. The Bank actively participated in the development of factor markets and completed the first Hong Kong gold contract transaction conducted by a domestic institution. It supported the Shanghai Gold Exchange pilot programme for insurance funds and completed the first gold spot transaction with an insurance institution.

Serving the high-level opening up of financial markets. The Bank further streamlined international capital investment channels and continuously expanded services for overseas institutional investors. The Bank became one of the first market-makers for repo transactions under Bond Connect (Northbound), and further enhanced its full-suite product and service framework for overseas institutional investors, covering Bond Connect, Swap Connect and Repo Connect. It was among the first to sign a Swap Connect agreement with overseas institutional investors and participated in the expansion and upgrading of Swap Connect products. It was awarded “Excellent Northbound Market Maker under Bond Connect” for the eighth consecutive year. Over the past three years, the Bank’s annual bond trading volume with overseas institutional investors has consistently exceeded RMB1 trillion, maintaining a leading position in the market. In support of the international use of RMB, the Bank continued to enrich its product and service offerings and actively advanced innovation in RMB-denominated asset collateral business.

Constructing a solid line of defence against risks. The Bank adhere to “centralised operation and unified management”, strengthened its forward-looking, proactive and professional forecasting and analysis of financial markets, increased the proportion of high-rated bond investments, and diversified the country composition of bond holdings, and responded to changes in international trade dynamics and market volatility in an agile and efficient manner. It strengthened the infrastructure construction of financial market business, continuously deepened the application of risk mitigation tools such as master agreements and collateral for financial market transactions, and reduced counterparty credit risk exposure. As a result, its risk management and control capabilities constantly improved.

Asset Management Business

The Bank seized market opportunities arising from residents’ growing wealth and the expansion of the cross-border asset management sector, continuously optimised its product system, consolidated channel development, enhanced investment research and further improved its capabilities in compliance risk management, thus promoting the high-quality development of its asset management business. It actively served the real economy and residents’ wealth management, coordinated with institutions such as BOC Wealth Management, BOCIM, BOCI China, BOC Assets Investment, BOC Hong Kong Asset Management, and BOCI-Prudential Asset Management, etc., to carry out asset management business, provided individual and institutional investors with domestic and foreign currency products featuring a comprehensive range of asset categories and diversified investment strategies across the full investment cycle, and continued to accelerate the issuance of various innovative products with distinctive themes. As at the end of 2025, the scale of the Group’s asset management business reached RMB3.68 trillion, reflecting its growing market influence.

Custody Business

The Bank continued to leverage synergistic efficiencies to strengthen the development momentum of its custody business, thus promoting steady and secure growth. Its scale of public offering fund custody has grown at a market-leading pace, while the number of wealth management subsidiary clients from peer institutions increased by 46%. It secured contracts for a number of leading insurance companies and was selected as the only newly added custodian bank for the occupational annuity plan by the Beijing Municipality. The number of publicly offered real estate investment trust funds (REITs) under its custody ranked among the top tier in the market. As at the end of 2025, the Group's custody assets amounted to RMB24.5 trillion, including RMB5.5 trillion of insurance assets, RMB2.7 trillion of publicly offered funds, RMB2.3 trillion of pension funds and RMB2.1 trillion of bank wealth management products. Both the scale of domestic custody assets and the market share of custody fee income hit record highs, with their respective growth rates ranking first among major peers. The average daily balance of custody deposits reached RMB502.4 billion, also hitting a record high.

Village Bank

BOC Fullerton Community Bank is a vital platform of the Bank for promoting the high-quality development of inclusive finance and implementing the nation's rural revitalisation strategy. It 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 2025, BOC Fullerton Community Bank had established 134 village banks with 185 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 RMB104.455 billion and RMB15.740 billion, respectively. In 2025, BOC Fullerton Community Bank achieved profit for the year of RMB212 million.

BOC Fullerton Community Bank continually improved its product and service system, further expanding its customer base and business scale. Serving the real economy, it increased support for micro and small-sized enterprises and individual merchants. It also boosted rural revitalisation, delivered financial services to households in villages, and improved the quality and efficiency of services to agriculture-related entities such as large-scale planting and breeding households and family farms. BOC Fullerton Community Bank pressed ahead with digital transformation, thereby unblocking "last mile" barriers to county-level financial services. It also optimised its comprehensive risk management system for business lines that support farmers and small-sized enterprises. Its NPL ratio was 1.78%, and its ratio of allowance for loan impairment losses to NPLs was 191.19%. As at the end of 2025, the balances of the total deposits and loans of its banks stood at RMB81.337 billion and RMB86.517 billion, respectively.

BOC Fullerton Community Bank received multiple awards and recognitions during the year, including "People's Craftsmanship Service" from people.cn, "2025 Excellent Case of Financial Consumer Protection and Service Innovation" from *China Financial Media*, "7th Annual Outstanding Brand Case in the Financial Industry" from *China Finance*, and "National Outstanding Lead Sponsor Bank for Village Banks in Fulfilling Social Responsibility (2024-2025)" from the Organising Committee of the Forum for the Development of Chinese Village and Township Banks, among others.

Globalised Operation

The Bank fully leveraged its strengths in globalised operations, further deepened coordination across the Group, gave full play to the service mechanism with global expertise accessible at any point of contact, and continued to enhance its global development capabilities and international competitiveness.

Realising steady and orderly development in its globalised businesses and constantly improving its ability to create value. As at the end of 2025, the Bank's overseas commercial banking business recorded customer deposits of USD656.206 billion, an increase of 11.39% compared with the prior year-end, and had issued loans and advances to customers of USD443.422 billion, an increase of 4.65% compared with the prior year-end. In 2025, the Bank's overseas commercial banking business achieved a profit before income tax of USD10.071 billion, an increase of 8.57% compared with the prior year.

Continuing to optimise its network and further enhancing its global service capabilities. The Bank continuously improved its capability to operate and compete globally, promoted cross-border business, trade and economic exchange, and provided premier financial services for high-quality "Bringing In" and high-level "Going Global" initiatives. As at the end of 2025, the Bank had 533 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. In October 2025, Ankara Branch under Bank of China Turkey A.Ş. officially commenced operation.

Strengthening top-level design for global development and forging synergies to drive the coordinated development of its institutions. The Bank deepened operations in overseas markets and advanced the implementation and dynamic optimisation of market-by-market strategies for its overseas institutions, thus continuously strengthening their market competitiveness. It improved its regional and intensive development mechanism for its overseas institutions, and implemented the *BOCHK Southeast Asia Regional Development Action Plan*. It gave full play to the role of BOCHK in driving the development of its overseas institutions in Southeast Asia, reinforced the capability of BOC (Europe) as the Intermediate Parent Undertaking (IPU) of Bank of China in the EU, and continued to advance intensive operations in its middle and back offices.

Corporate Banking

The Bank leveraged the mechanism of “accessing the Bank’s global resources and services at any point of contact”, gathered domestic and overseas forces, engaged deeply in developing overseas markets, and promoted the high-quality growth of its overseas corporate banking business.

Continuously expanding overseas corporate deposits, loans and other core businesses to consolidate and develop its competitive edge in globalised operations. The Bank closely tracked changes in global markets, adopted targeted strategies based on a market-by-market approach, and leveraged the Group’s mechanism of “accessing the Bank’s global resources and services at any point of contact” to proactively provide services for Chinese enterprises expanding overseas, overseas enterprises entering China, and other key overseas investors. As a result, its cross-border service capabilities and market competitiveness steadily improved. The Bank also enhanced cross-border services in its investment banking business. It served as lead underwriter for 56 Panda bonds with a total issuance amount of RMB112.6 billion. It promoted the development of green finance, with its overseas green bond underwriting ranking first among Chinese-funded institutions.

Proactively serving China’s high-standard opening up by striving to be the pacesetter in financial services. The Bank actively supported high-quality Belt and Road cooperation, facilitating major progress in landmark projects such as the Simandou Iron Mine and making new headway in “Small and Beautiful” projects that improve people’s wellbeing and attract public support. As at the end of 2025, the Bank cumulatively followed up on over 1,400 corporate credit projects in Belt and Road partner countries, with cumulative credit support exceeding USD439.0 billion.

Continuously enhancing the global service capabilities of its transaction banking business to optimise the customer experience for cross-border services. The Bank deeply explored distinctive transaction banking scenarios with a focus on key areas, and continuously improved the quality and efficiency of its overseas transaction banking products and services based on customers’ personalised demands. It successfully implemented cross-border QR code payment projects such as those between China and Malaysia, China and Cambodia, and China and Indonesia, and continuously expanded coverage of mobile banking services that support “overseas wallets used domestically” and “domestic wallets used overseas” across more countries and regions. The Bank further improved its global cash management service system, covering all major international financial hubs across the Asia-Pacific region, the Middle East, Europe and Africa. Several benchmark global cash management projects were successfully implemented. The Bank continued to expand the global reach of its cross-border e-commerce services by officially launching cross-border e-commerce collection services in multiple overseas markets during the year, further improving the service chain.

Capitalising on advantages arising from its global institution network to steadily boost its international influence. The Bank fostered comprehensive cooperation with various types of financial institutions in areas such as clearing, settlement, lending, investment, custody, financial market operations and comprehensive capital market services. As a result, it further expanded its customer base. Moreover, the Bank made full use of its global partnership network, drew on advanced overseas expertise and deepened peer communication and cooperation mechanisms to continually strengthen its participation in ESG-related fields worldwide. The Bank responded in a more agile and forward-looking manner to market fluctuations, provided market advice to overseas institutional customers and promoted the investment value of RMB to medium and long-term investors around the world, resulting in steady growth in its overseas institutional investor customer base.

Special column: Deepening global treasury services to inject financial momentum into enterprises' global expansion

Devoted to treasury management services in the past 25 years, the Bank has undergone eight rounds of large-scale upgrades and more than 100 continuous iterations. During the process, its service coverage expanded from the Chinese mainland to the global market, its product development shifted from a mode of imitating and catching up with advanced international peers to one driven by innovation, and its technology support evolved from informatisation and platformisation toward ecologisation. The Bank has successfully built a world-class global treasury service system with Chinese characteristics.

Achieving transformative upgrading, the Bank reshaped the service pattern with a digital and intelligent ecosystem. Focusing on the new trends and demands of Chinese enterprises in their globalisation, the Bank launched an upgraded “BOC Global Smart Treasury Integrated Service Solution” during the 6th CIIE. By establishing the “Intelligent Navigator” non-financial service solution and the “Intelligent Banker” financial service solution, it realised empowerment through “digital intelligence” and “ecosystem”, helping enterprises operate globally with higher-quality global treasury services.

Driving innovation and breakthroughs, the Bank built competitive advantages through core capabilities. The Bank successfully created a 7/24 round-the-clock centralised clearing model for global cash pool. With the core strengths of “security and controllability, real-time settlement, 7/24 round-the-clock accessibility and multi-currency interoperability”, the Bank helped enterprises enhance both security and efficiency in global treasury management, providing robust financial support for high-standard opening up.

Upholding its original mission, the Bank fulfilled its responsibilities with targeted services. With the focus on key areas including technology finance, green finance, high-end manufacturing and the global expansion of Chinese automobiles, the Bank customised global cash management solutions and implemented ten benchmark global cash management projects, providing strong financial support for the strategies of “Going Global” and “Bringing In”, and fulfilling its responsibility as a major state-owned bank in serving the real economy.

Personal Banking

The Bank continued to leverage its advantages in global operations and steadily improved its overseas personal banking products and services, providing customers with account management, savings, payment and settlement, and electronic banking. It provided wealth management and private banking services in countries and regions such as Hong Kong (China), Macao (China) and Singapore. As at the end of 2025, the Bank had established an overseas personal banking presence in over 30 countries and regions, serving over 8 million customers and recording consistent growth in its customer base.

Providing high-quality debit card, wealth management and loan services. The Bank offered a diverse range of debit card products, with clearing channels covering major international card networks and serving 19 countries and regions overseas. It constantly improved its Cross-boundary Wealth Management Connect services. As at the end of 2025, the Bank had 70.9 thousand subscribers under the Northbound and Southbound schemes of Cross-boundary Wealth Management Connect, maintaining a market-leading position. It continued to improve its refined management and advanced the differentiated development of its overseas personal loan business.

Enhancing its cross-border credit card service capabilities. The Bank launched a Mastercard dual-application credit card product system, enabling transactions across both domestic and international online and offline channels. It also enabled domestic transactions for Mastercard single-branded cards and created a consumption model in which customers can use a single card at home and abroad, providing cross-border customers with a convenient tool for spending in China. The Bank introduced a technical upgrade for VISA and UnionPay dual-branded credit cards, moving from a magnetic strip to a chip-based technology, to enhance the security of overseas card use. It upgraded the welcome benefits for new cross-border customers and provided comprehensive bank card services for customers travelling abroad. The Bank continued to carry out its “Global Wonderful” cross-border brand campaign, establishing a brand campaign system covering all customers, key products, popular regions and designated groups. It strengthened marketing and promotion across both internal and external channels. A dedicated service section for students studying abroad has been launched to provide a comprehensive guide for all stages of the overseas education journey and to match students with suitable product portfolios and campaigns, thereby enhancing marketing and promotion efficiency. The Bank also developed and launched a peak-season marketing plan with a focus on students studying abroad, in a bid to deepen collaboration with external ecosystems. It strengthened cooperation with international schools, study-abroad agencies, embassies and consulates to enhance the precision of customer acquisition in external scenarios. By designing a single system that covers all stages of cross-border journeys and establishing precise outreach strategies, the Bank also strengthened refined operations for cross-border customer segments.

Vigorously promoting the development of Departure Tax Refund. The Bank’s agency services of Departure Tax Refund covered 21 provincial-level administrative regions, maintaining a leading position among peers. It introduced innovative specialised POS terminals for Departure Tax Refund, significantly enhancing the convenience of Departure Tax Refund services. In 2025, the number of Departure Tax Refund transactions handled by the Bank for overseas visitors increased by over 150% year-on-year.

Constantly improving online service channels. The Bank accelerated the development of the BOC Mobile Banking app (International Version). It optimised the online direct account opening experience, enabling one-stop online account opening for new customers and making the account opening process more efficient and convenient. It launched a pre-filling form function on its mobile banking platform, enabling seamless integration of online business applications and offline business processing through an O2O service model, thereby reducing customer waiting time. The Bank continued to promote online RMB payroll remittance services to better meet the payroll remittance needs of personal customers who “Go Global”. It provided cross-border business travel customers with a featured service enabling UnionPay QR cross-border interoperability, enhancing convenience. The Bank accelerated the digitalisation of credit cards, loans and other products, enriched its mobile banking product shelf, and comprehensively improved the online service experience for overseas personal customers to meet their diverse needs for online services. As at the end of 2025, the BOC Mobile Banking app (International Version) was available in 31 countries and regions around the world and provided services in 12 languages, maintaining a leading position among Chinese peers.

Financial Markets Business

The Bank adopted a globalised and integrated operational model, actively anticipated changes in international financial markets, and delivered robust overseas financial market services.

Seizing market opportunities to increase bond investment by overseas institutions. The Bank strengthened its research and analysis of international markets and portfolio strategy, enhanced look-through management of its guidance to overseas institutions regarding business operations and risk management, and adopted differentiated investment authorisations and development strategies tailored to each individual institution. Capitalising on market opportunities of overseas rate cuts, the Bank further expanded the bond investment scale of its overseas institutions while optimising their portfolio structures, and pursued diversified investment while dynamically managing portfolio duration. As a result, the Bank’s overseas branches and subsidiaries increased their investment in RMB bonds as well as bonds issued by Belt and Road participating countries and regions, with steady growth achieved in both investment scale and returns, facilitating the international use of RMB.

Taking full advantage of its globalised and integrated trading operations. Through its operations in Beijing, Shanghai, Hong Kong, London and New York, the Bank provided a 5×24 quotation and trading services network to meet the needs of customers in different time zones. It established a financial market product system covering exchange rates, interest rates, precious metals and commodities. The Bank also created a globally integrated collateral management framework for its financial markets business. Its overseas trading centres continued to strengthen support for the Bank’s global service network so as to complement the strengths of the onshore market, and enhanced the pricing competitiveness and differentiated service capabilities to promote high-level opening up. The Bank was among the first to engage in product innovation of the mutual market access mechanisms and use RMB bonds as collateral for derivatives

clearing and repo transactions. These efforts supported Hong Kong in further developing its financial market infrastructure and consolidating the status as an international financial centre while contributing to expanding scenarios for the international use of RMB. The Bank's overseas institutions further deepened their presence in local markets, strengthened regional coordination mechanisms, collaborated to consolidate their customer bases, and enhanced customer service capabilities. The Bank provided RMB market-making and quotation services and engaged in RMB futures business in Singapore, South Korea and other countries and regions. The Bank became the first Chinese-funded bank conducting overseas OTC bond business in Singapore.

Becoming the first Chinese-funded global custodian bank. The Bank continued to lead its domestic peers in comprehensive global custody services. With a global custody scale of approximately RMB5 trillion and a custody network covering over 100 countries and regions, it provided global investors with multi-currency, multi-market and multi-asset custody services. Furthermore, it provided QFI, CIBM, QDII (Qualified Domestic Institutional Investors) and other custody services for several sovereign and high-profile institutional investors. Seizing opportunities arising from the expansion of the "Southbound Bond Connect" scheme, the Bank carried out cooperation with a diverse range of market participants. As at the end of 2025, it remained first among Chinese peers in terms of the scale of global custody assets.

Cross-Border RMB Business

Vigorously promoting the international use of RMB and serving as the primary channel for cross-border RMB services. The Bank further consolidated leading position in cross-border RMB payments. The Bank continued to support the expansion of the CIPS global network, maintaining 46 direct participants and over 700 indirect participants. As at the end of 2025, the Bank hold 16 RMB clearing bank licenses among the 33 countries/regions designated by the People's Bank of China, maintaining our top ranking among peer banks. Businesses such as cross-border RMB settlement and clearing, Panda bonds and offshore RMB bonds continued to lead the market. The Bank actively expanded market outreach by hosting the RMB Internationalisation Forum in Hong Kong (China), and organising more than ten high-level overseas roadshows on RMB internationalisation across the Asia-Pacific, Europe, the Middle East, Africa and Latin America. For 13 consecutive years, the Bank published the *White Paper on RMB Internationalisation*, as well as the Cross-border RMB Index and Offshore RMB Index, contributing to the enhancement of the currency's international influence.

Special column: Developing innovative e-CNY infrastructure to usher in a new chapter of financial services

In 2025, the Bank actively advanced the research, development, piloting and application of e-CNY and made every effort to support the development of the e-CNY ecosystem.

Deeply engaging in Project mBridge and overseas central bank digital currency projects to fulfil its responsibilities as a major bank. The Bank executed digital currency remittance and foreign exchange transactions in RMB, HKD, THB and AED, and provided liquidity support for a number of participating peers. In 2025, a total of 2,100 mBridge-related transactions were processed by the Bank, with an aggregate transaction value of RMB350.1 billion. The Bank also recorded two notable achievements. First, it successfully connected to the UAE's Jisr platform and completed its inaugural transaction. Second, the Bank successfully completed research and development on the core systems supporting e-MOP, serving as the only operating institution participating in the initial stage of the e-MOP programme, and launched a "white-list" pilot programme for select customers.

Steadily developing the e-CNY ecosystem to support the national strategy of developing China into a financial powerhouse. The Bank empowered digital finance innovation across industrial chains and achieved the directed payment of digital currency smart contract loans in supply chain trade financing, enabling controllable and traceable transactions. The Bank facilitated high-level opening up by supporting individuals from overseas countries and regions to register and open e-CNY wallets. In Hong Kong (China), a total of 53,449 wallets were opened, with the related consumption amount reaching RMB6.0773 million. The Bank advanced the implementation of digital tax services, with RMB35.699 billion in tax payments settled via e-CNY throughout the year. It actively expanded e-CNY consumption scenarios, recording 86.60 million transactions with a total transaction value of RMB27.762 billion for the year. Transaction value ranked among the top in the market. The Bank's merchant service network continued to improve. As at the end of 2025, the cumulative number of active merchants reached 13.69 million, ranking among the top in the market. As at the end of 2025, the annual net increase in Category 2 (and above) personal wallets and corporate master wallets reached 8.06 million, up 46.05% from the end of the previous year.

Special Feature II: Improving International Competitiveness and Serving High-standard Opening Up

As a major state-owned bank with a distinctive history and strong competitive advantages in globalised operations, the Bank has shouldered the mission of connecting China to the world for over a century. Serving the nation's social and economic development needs, it has established overseas institutions and conducted global operations, constantly striving to enhance its capability to operate and compete globally, and proactively supporting China's high-standard opening up.

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

Unit: RMB million, except percentages

Items	As at December 31, 2025		2025	
	Total assets	% of total	Pre-tax profits	% of total
Hong Kong (China), Macao (China) and Taiwan (China)	5,940,576	66.47%	63,790	75.49%
Asia Pacific (excluding Hong Kong (China), Macao (China) and Taiwan (China))	1,120,172	12.53%	8,310	9.83%
Europe	1,197,744	13.40%	7,698	9.11%
Americas	639,943	7.16%	3,770	4.46%
Africa	39,763	0.44%	934	1.11%
Total	8,938,198	100.00%	84,502	100.00%

Providing customers with reliable and efficient cross-border and overseas local financial services through the Bank's comprehensive network. Since opening the first overseas institution of any Chinese bank in London in 1929, the Bank has, over the course of nearly a century, gradually extended service coverage across major countries and regions in the Asia-Pacific region (including the Middle East), Europe, the Americas, and Africa. As at the end of 2025, it had overseas institutions in 64 countries and regions, with a presence in all major international financial hubs as well as significant first-mover advantages in key international financial centres such as Hong Kong and London, making it the Chinese financial institution with the most comprehensive overseas network.

Supporting Chinese enterprises in “Going Global” with the Bank’s global integrated service capabilities. The Bank focused on key regions, key sectors and key products to further improve the service quality and efficiency. It issued the *work plan on further improving the service quality and efficiency for “Going Global” Enterprises*, formulated special action plans for multiple sectors “Private enterprises going global” and “Chinese automakers going global”, so as to provide all-round support for Chinese enterprises to go global with high-quality financial services and served as a pioneer in supporting high-level opening-up. It focused on the three core concerns of outbound enterprises – optimising global resource and factor allocation, enhancing local long-term operational capabilities, and safeguarding the security of overseas assets and rights – The Bank released the *White Paper on Financial Services for Enterprises’ Global Expansion*, constructing a three-dimensional support system of “Demand-Client-Lifecycle” to provide comprehensive, full-lifecycle financial service solutions.

Leveraging its strengths of cross-border linkage, the Bank took proactive steps to help stabilise foreign trade and investment. The Bank closely followed major foreign-invested projects and provided foreign-invested enterprises with comprehensive financial services including loans, Panda Bonds, cash management and supply chain financing services. By the end of 2025, the Bank has provided stable and reliable financial support for a number of landmark foreign-invested projects such as the BASF Zhanjiang Integrated Base Project and the China-Saudi Gulei Ethylene Project, effectively supporting foreign investors to expand investment in China and further share the opportunities brought by the high-quality development of China’s market. Focusing on enhancing the quality and efficiency of services for customers involved in the “Going Global” and “Bringing In” initiatives, the Bank improved the accessibility, convenience and adaptability of its products and services. It developed global cash management and service capabilities characterised by secure and controllable services, real-time settlement, 24/7 availability and multi-currency conversion, helping enterprises improve both the security and efficiency of global fund transfers. The Bank refined its global cash management service system, achieving full coverage of major international financial centres across the Asia-Pacific region (including the Middle East), Europe and Africa. It expanded its global footprint in cross-border e-commerce services, officially launching cross-border e-commerce collection services in multiple overseas regions during the year. Its corporate online banking services covered 56 countries and regions overseas and were available in 14 languages, and key functions such as payroll agency and cash management were optimised. In corporate mobile banking services, the Bank has launched an English version and a dedicated foreign exchange zone, providing facilitation services for foreign-invested and cross-border enterprises. The Bank provided comprehensive, end-to-end services for major exhibitions including CIIE, CIFTIS, Canton Fair, China International Consumer Products Expo, China International Fair for Investment & Trade, and China International Supply Chain Expo (CISCE). It hosted such events as the Hongqiao International Economic Sub-forum on “Finance Boosting Global Economic and Trade Development”. It pioneered the first CIIE matchmaking conference for domestic and foreign chambers of commerce and associations, attracting 104 chambers of commerce and associations from 54 countries and regions, and building an extensive and representative international cooperation network. Furthermore, the Bank provided industry-leading and comprehensive financial services for visitors to China, establishing a closed loop for services covering key scenarios from entry to stay and departure. It maintained market leadership in multiple related businesses, including overseas card acquiring services and Departure Tax Refund.

Providing comprehensive financial services to actively support investment and financing facilitation. The Bank provided comprehensive financial services characterised by 24/7 responsiveness and localised support. It established a full-product quotation system covering funds, cash bonds and derivatives, and offered one-stop, end-to-end services for investors covering agreement signing, quotation and trading, and clearing and settlement, thus efficiently meeting their needs for investment, financing, and hedging. The Bank is among the first to sign a Swap Connect agreement with overseas institutional investors and participated in the expansion and upgrading of Swap Connect products. It was awarded “Excellent Northbound Market Maker under Bond Connect” for the eighth consecutive year. Over the past three years, the Bank’s annual bond trading volume with overseas institutional investors has consistently exceeded RMB1 trillion, maintaining a leading position in the market. Furthermore, the Bank enhanced its service capabilities in emerging market currencies. It added foreign currency exchange against RMB for the Serbian Dinar and the Polish Zloty, bringing the total number of quoted foreign currencies against RMB to 42, and executed its first client spot foreign exchange transaction in Brazilian Real. Through these initiatives, the Bank led the domestic market in terms of volume of foreign currency exchange against RMB and the number of tradable foreign currencies.

Acting as a primary channel for cross-border use of RMB to boost the international use of RMB. As at the end of 2025, the Bank served as an RMB clearing bank in 16 countries and regions, with 46 direct CIPS participants and over 700 indirect participants. The Bank maintained its leadership in cross-border RMB settlement and clearing, Panda bonds, and offshore RMB bonds. It has published the *White Paper on RMB Internationalisation* for 13 consecutive years. The Bank deepened scenario expansion and product innovation, and facilitated Zambia’s acceptance of RMB in local tax payments. The Bank actively advanced innovations in RMB-denominated asset collateral business, becoming one of the first to use RMB bonds as collateral for derivatives clearing and repo transactions, while contributing to expanding scenarios for the international use of RMB.

The Bank stepped up financial support for Belt and Road cooperation. BOC is the Chinese bank with the most extensive network both globally and among Belt and Road partners, with overseas institutions in 45 Belt and Road countries. To date, the Bank has followed up on over 1,400 corporate credit projects in Belt and Road countries, providing cumulative credit support exceeding USD439.0 billion. This has injected financial momentum into infrastructure connectivity, green transition of industries, and the development of the digital economy in those countries.

The Bank played an active role in international exchange platforms. The Bank deeply engaged in the work of the International Chamber of Commerce (ICC), serving as Vice Chairman and Chair of the Banking Commission. Several experts from the Bank contributed suggestions to the specialised working groups of the ICC China National Committee, such as those on letters of credit and guarantees, thereby safeguarding the interests of China’s business community. The Bank participated in events including the “10th China-France High-Level Economic and Financial Dialogue” and the “7th Meeting of the China-France Business Council”, and supported key activities including the “Roundtable Meeting between UK Chancellor of the Exchequer and the Chinese Business Community”. Leveraging its role as the Chinese Chair of the China-France Business Council and China-Italy Business Council, the Bank undertook a series of events, including “China-Italy Enterprises Visit to Lingang, Shanghai”, “China-France Business Council in Chongqing”, and “China-France Enterprises Visit to Nanjing”.

The Bank enhanced localised management capabilities of its overseas institutions. Placing emphasis on the pivotal role of clearing networks, the Bank consistently expanded its connectivity with local clearing systems across various countries, regions and currencies. As at the end of 2025, the Bank’s payment and clearing network extended to 60 countries and regions, including direct participation and/or connection with over 100 local clearing systems, allowing it to facilitate payments for customers worldwide. Furthermore, the Bank enhanced the resilience of its overseas technology operations, reinforcing cybersecurity architecture, deploying advanced security tools and promoting regional integrated operations.

Case: The Bank co-hosted the Sino-European Finance Summit with BVI in Frankfurt, Germany.

In November 2025, the Sino-European Finance Summit was held under the theme of “Bridging Capital: A New Silk Road for Financial Investment”. Focusing on the opening up of China’s capital markets and Sino-European finance cooperation, the summit aimed to be a high-end dialogue platform for connectivity between the two capital markets, promoting in-depth bilateral exchanges in policies, industry collaboration, and cross-border investment. Over 200 representatives across China and Europe attended the summit. At the summit, *the Investment in China*, a guideline jointly compiled by Bank of China and BVI, was officially released, serving as a systematic and practical reference for European institutions to understand and navigate the Chinese domestic capital market.

Case: The Bank provided stable and reliable financial support for the Simandou Iron Ore project.

In November 2025, the Simandou Iron Ore project, located in Guinea, Africa, officially commenced production. As a landmark project representing the world's largest undeveloped iron ore reserve, it comprises systematic engineering works including mines, railways and ports. The project's operations are expected to further deepen strategic cooperation between China and Africa in mineral resources and infrastructure. Leveraging its advantages in globalised operations, the Bank coordinated domestic and overseas resources to provide timely funding in support of the project. Moreover, through comprehensive services including cross-border account management, foreign exchange settlement and sales, cross-border RMB solutions, overseas payroll agency services and letter of credit settlements, the Bank provided stable and sustainable financial support for the project's day-to-day operations and production.

Case: BOC Macau/Macau Branch supported the appropriate diversification and high-quality development of the local economy.

As the largest financial institution in Macao, Bank of China (Macao) Limited and Macau Branch (BOC Macau/Macau Branch) fully implemented the *Comprehensive Strategic Cooperation Agreement on Bank of China's Services to the Macao Special Administrative Region Government*. BOC Macau/Macau Branch fully supported the Macao SAR Government in the pivotal projects such as the Macao-Hengqin International Education (University) Town and the International Air Transportation Hub on the west bank of the Pearl River. In response to the Macao SAR Government's SME loan interest subsidy policy, BOC Macau/Macau Branch launched the "Community Business Loan" one-stop service. BOC Macau/Macau Branch actively supported the upgrading of Macao's integrated leisure and tourism industry. Acting as the lead arranger, BOC Macau/Macau Branch successfully orchestrated the largest syndicated loan in Asia in 2025. With over 40 million annual visitors contributing to local consumption, BOC Macau/Macau Branch's annual acquiring transaction volume soared to MOP38.066 billion, marking a 6.1% year-on-year increase. Financial resources were strategically channeled into all scenarios of tourism consumption.

Case: Singapore Branch continues to promote cross-border payment innovation, with two initiatives included in China-Singapore bilateral financial cooperation

Singapore Branch's e-CNY pilot and overseas over-the-counter (OTC) bond business were included among the six financial cooperation initiatives announced at the 21st Joint Council for Bilateral Cooperation (JCBC) meeting in 2025, an apex bilateral cooperation platform between China and Singapore. On 24 December, 2025, Singapore Branch successfully completed an overseas e-CNY top-up test, marking further progress in advancing cross-border payment innovation and enhancing the payment experience for travellers to China. Following the official launch of the pilot testing in 2026, Singaporean residents will be able to register for an e-CNY wallet using their local mobile numbers and conveniently top up via Singapore Branch's mobile banking app. This enables seamless retail payments in China for tourism, business and other consumption scenarios. On 26 December, 2025, Singapore Branch, as the first Chinese bank in Singapore to obtain approval to conduct offshore OTC bond business, successfully executed Singapore's first offshore OTC bond transaction, which created an efficient and convenient new channel for qualified overseas investors to directly participate in the China Interbank Bond Market. The initiative represents another significant step by the Bank in supporting the high-quality opening-up of China's capital market and deepening financial connectivity between China and Singapore.

Case: Abu Dhabi Branch deeply engaged in financial infrastructure connectivity programmes between China and the UAE, helping to translate China-UAE financial outcomes into tangible results.

In November 2025, the launch ceremony for the China-UAE Payment Cooperation Program was held in Abu Dhabi. Bank of China, as the sole invited representative among commercial banks, took part in the event and successfully conducted transaction demonstrations for two landmark projects: the China-UAE Instant Cross-Border Payment (IBPS-IPI) System and the UAE multi-central bank digital currency bridge (Jisr). As one of the first pilot institutions for the China-UAE cross-border payment connectivity programme, Abu Dhabi Branch also serves as an overseas correspondent settlement bank, providing cross-border fund settlement services. By connecting the instant payment systems of the two countries, the programme supports instant online cross-border remittance by enterprises and individuals in both countries, enhancing the efficiency and service quality of payments between China and the UAE and further facilitating bilateral trade and personnel exchanges. Abu Dhabi Branch was among the first to be invited to participate in the Jisr project, launching the first-ever Jisr business and opening a new, safe and efficient channel for cross-border RMB settlement.

Case: Sydney Branch deepened localised operations and synergy with the Group, forming demonstrative practices in AUD bonds and cross-border capital markets.

In December 2025, Sydney Branch successfully acted as joint lead manager for an AUD750 million medium-term note (MTN) issuance by a key infrastructure client, representing a landmark transaction in terms of serving Australia’s core infrastructure sector and expanding the Bank’s influence in international capital markets. As joint lead manager, Sydney Branch supported the client in executing the transaction. The issuance received strong global investor demand with orders exceeding AUD2.8 billion, nearly four times oversubscribed, making it one of the most significant deals in the AUD bond market in 2025. Leveraging the Bank’s extensive Asia-Pacific distribution network, Sydney Branch successfully attracted cornerstone interest from investors in Hong Kong and Singapore, with participation from a total of 82 institutional investors. Supported by robust demand, the final pricing tightened by 10 basis points from the initial guidance, enabling the client to secure significant funding cost savings and meet its issuance objectives.

Case: London Branch leveraged the 11th China-UK Economic and Financial Dialogue to build a benchmark for green and biodiversity finance cooperation.

In 2025, three major outcomes achieved by Bank of China in green and sustainable development were included in the outcome documents of the 11th China-UK Economic and Financial Dialogue. These outcomes include the welcome expressed by both countries of London Branch’s planned issuance of sustainability-related dual-currency bonds denominated in RMB and GBP and listed in London; the reaffirmation of the Bank’s continued efforts, under the *Memorandum of Understanding on Green and Biodiversity Finance Cooperation* signed with the UK Government in September 2024, to advance sustainable bond issuance, product innovation, green finance capability building and biodiversity finance cooperation. The Bank participated in the TNFD as its first Chinese financial institution member. Furthermore, London Branch held a listing ceremony for GBP-CHN dual-currency sustainability bonds at the London Stock Exchange on 4 December 2025. The issuance comprises a three-year GBP250 million bond and a three-year RMB1.5 billion bond. Notably, the GBP tranche is the first GBP-denominated sustainability bond issued by a Chinese financial institution in the international market. This transaction attracted broad participation from international investors, and represented tangible, business-level implementation of the Dialogue outcomes.

Case: Bank of China (Europe) S.A. deepened engagement in the European bond market, helping customers to effectively control financing costs and achieve investor diversification in complex market environments.

The European Investment Banking and Asset Management Centre is one of the Head Office's three overseas bond underwriting and distribution centres. In 2025, the Centre has completed a total of 52 bond issuances for 19 customers in Europe, cumulatively raising EUR36.5 billion of funds, covering key sectors such as utilities, energy, industrial manufacturing and infrastructure. Through professional arrangements in transaction structuring, issuance timing, as well as investor engagement and distribution, which effectively enhanced pricing efficiency and broadened investor participation, helping clients effectively manage financing costs and diversifying the investors' base. Leveraging its deep engagement in the Iberian market, Lisbon Branch under Bank of China (Europe) S.A. collaborated with the Bank's headquarters to assist a key client in Portugal and Spain to issue a Euro-denominated green bond, helping the client to accelerate renewable energy investments and further optimise its capital structure. Capitalising on central and eastern Europe's advantages as an energy hub, Vienna Branch teamed up with the Bank's headquarters to arrange medium to long-term bond financing for a leading local enterprise, helping the client to realise a stable funding structure to support its business restructuring and cross-regional layout aims. In collaboration with the Bank's headquarters, Stockholm Branch participated in Euro-denominated bond financing for an industrial group, supporting its strategic development in offshore engineering equipment and new energy sectors. With headquarters support, Prague Branch participated in the green bond issuance of an enterprise from the central and eastern European real estate and logistics sectors, helping the client to bolster its warehousing and logistics asset layout and optimise its debt maturity structure.

BOCHK

BOCHK is a Hong Kong-listed bank controlled by the Bank. Capitalising on the Group's globalised advantages, comprehensive features and service mechanism with global expertise accessible at any point of contact, it cultivated the Hong Kong market, tapped into cross-border business opportunities, and optimised its regional management model in Southeast Asia. It adhered to the concept of sustainable development, bolstered digital empowerment and made every effort to improve development quality. As at the end of 2025, BOCHK's issued share capital was HKD52.864 billion, total assets were HKD4,489.809 billion and net assets were HKD363.475 billion. In 2025, its profit for the year amounted to HKD41.189 billion.

Deeply integrating ESG concepts and advancing sustainable development. Playing an active role in advancing the nation's dual carbon goals, BOCHK supported the low-carbon transformation and sustainable development of corporates in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") and Southeast Asia through professional green financial products and services. Its green and sustainability-related loans to corporate customers achieved steady growth during the year. To support the green development of Hong Kong's local bond market, BOCHK participated in the HKSAR Government's issuance of infrastructure bonds and green bonds denominated in multiple currencies. Leveraging its international network, it assisted onshore local governments to issue offshore RMB bonds in Hong Kong, with the funds raised directed towards green or sustainable development projects. BOCHK also actively promoted green finance business development for personal customers and enriched its sustainable investment product offering. It launched a large-scale promotional campaign, "Urban GreenUp", to encourage customers to adopt greener, low-carbon practices both in their daily lives and wealth management activities, thus pursuing sustainable development together with BOCHK. It implemented its own green and sustainable finance classification standards and operational carbon neutrality plans in an orderly manner, hosted a large-scale international sustainable development forum, and was once again awarded the highest AAA rating from MSCI (Morgan Stanley Capital International) ESG, thus steadily advancing its sustainable development.

Cultivating its core market of Hong Kong and bolstering its integrated financial service capabilities. BOCHK leveraged collaborative mechanisms across its integrated business platforms and provided professional financial service solutions to meet the diverse financing needs of corporate customers. To serve the business development needs of customers, BOCHK advanced the development of its key businesses, including payment and settlement as well as cash management services, and consolidated its competitive advantages. It promoted inclusive finance and launched various supportive measures for small and medium-sized enterprises (SMEs) in alignment with the Hong Kong Monetary Authority (HKMA). Meanwhile, BOCHK promoted the growth and enhanced the quality of its personal banking services by enriching exclusive products and services for different customer segments. To develop its premium "Private Wealth" brand, it offered exclusive succession planning solutions to address high-end customers' needs for wealth inheritance and appreciation, and expanded its network of Private Wealth Centres. To reinforce its superior family financial management brand, it launched the FamilyMAX "Legacy of Love" plan to attract account openings from high-end family customers, and collaborated with various partners to offer comprehensive services to continuously improve product penetration. Through its "Banking can be TrendyToo" brand, which targets the young customer segment, it

continued to provide accessible financial knowledge, entry-level products and exclusive offers to enhance financial literacy and anti-fraud education for young audiences. The customer base of high-net-worth individuals, families and young customers grew steadily as a result. As at the end of 2025, BOCHK recorded solid growth in customer deposits and loans, with core financial risk indicators remaining stable. In 2025, BOCHK maintained its market leadership as an arranger bank in the Hong Kong-Macao syndicated loan market, retained its leading market position in the local mortgage market in Hong Kong, led the market in initial public offering (IPO) main receiving bank business in terms of total funds raised on the Main Board of Hong Kong Exchanges and Clearing Limited, and underwrote a number of bond issues with significant market influence.

Capturing opportunities from cross-border business and maintaining its market leadership in RMB business. BOCHK optimised internal and external collaboration and served the “Going Global” needs of corporate customers by proactively supporting the “Task Force on Supporting Mainland Enterprises in Going Global” launched by the HKSAR Government. It vigorously promoted technology finance and established an integrated financial service system to support the full lifecycle of technology enterprises, thus empowering their high-quality development. Capitalising on policies including the New Capital Investment Entrant Scheme and various high-quality migrant admission schemes, it participated in a pilot programme to accelerate loan approvals through the cross-boundary credit referencing of personal customers, with the aim of enhancing the service experience for cross-border customers and professionals relocating to Hong Kong. It enriched its cross-border wealth management product suite to offer comprehensive financial services to its clients, and facilitated market connectivity. The number of cross-border customers increased steadily during the year, and the cumulative number of accounts opened and the volume of funds remitted or transferred under Southbound and Northbound Cross-boundary Wealth Management Connect services ranked among the top tier in the Hong Kong market. It expanded the coverage of its GBA account opening attestation service to all Mainland cities in the GBA. It served as a participating bank and settlement bank for Payment Connect to provide banks in the Chinese Mainland and Hong Kong with bilateral cross-boundary fund settlement services in RMB and HKD, thus improving the convenience of cross-boundary payments. It introduced a RMB mortgage and property-pledge loan service under the Greater Bay Area Loan scheme. BOCHK was appointed by the HKSAR Government as one of its partner banks to facilitate the “cross-border disbursement of portable cash assistance” service, in support of the development of cross-border pension finance. It actively participated in the construction of the offshore RMB market and promoted the international use of RMB. Specifically, it supported the HKMA’s RMB Business Facility and arranged offshore RMB loans and trade financing services for customers in Hong Kong, as well as Mainland enterprises “Going Global” via its Southeast Asian entities in the respective Southeast Asian countries. It launched offshore RMB bond repo and cross-boundary bond repo transactions in the Hong Kong market, using onshore bonds held via Northbound Bond Connect as collateral. BOCHK assisted an offshore issuer to launch the world’s first Shanghai Pilot Free Trade Zone offshore bond, including offering sub-custodian services. It also assisted the Government of Indonesia and an enterprise from Kazakhstan in issuing their inaugural offshore RMB bonds, facilitating the international use of RMB.

Optimising its regional management model in Southeast Asia and pushing forward the development of globalised operations. BOCHK remained focused on regional integrated development while adopting a differentiated management approach across its regional entities through the organic combination of market-by-market strategies. Reinforcing its contribution as a regional headquarters, BOCHK optimised its cross-border service capabilities and network, steadily enhancing the market competitiveness of its Southeast Asian entities. It expanded regional product offerings and strengthened its brand reputation. Seizing opportunities arising from industrial relocation, BOCHK made concerted efforts to advance Belt and Road and “Going Global” projects as well as serving large corporate customers in the region. To promote financial market connectivity in the region, it enhanced its transaction, settlement and market-making capabilities. It collaborated with Bank of China (Malaysia) Berhad and was approved by Bank Negara Malaysia as an Appointed Overseas Office to handle transactions and settlement in Malaysian Ringgit, helping customers to reduce cross-border transaction costs. Giving full play to the regional advantages of its Wealth Management brand, it strengthened collaboration with local partners to extend its product and service reach to the Southeast Asian region, meeting personal customers’ diverse needs for financial services. It also accelerated the construction and optimisation of its regional digital platforms, including improving the functionality of local real-time payments, cross-border payments, QR code interconnectivity and RMB salary direct remittance services, as well as transaction security.

Bolstering digital empowerment and consolidating its foundation for high-quality development. BOCHK reinforced the digital empowerment of business transformation through data, business intelligence and ecological approaches, with the aim of providing both customers and staff with high-quality digital services and experiences. It advanced the development of open and scenario-based financial service ecosystems, integrated products and services, and seamless process experiences. It expanded the application scenarios of BoC Pay+ and BoC Bill, and optimised the service capabilities of its intelligent Global Transaction Banking (iGTB) platform. To support fintech development in Hong Kong, BOCHK participated in various key projects launched by the HKMA. It completed the first batch of transactions harnessing cargo data under Project CargoX, enhancing the digital ecosystem for trade finance in Hong Kong. It completed the production verification testing of two use cases under the Project Ensemble pilot, achieving a successful real-world implementation of the tokenised product concept. It participated in the Generative Artificial Intelligence (GenAI) Sandbox, injecting new impetus into financial service innovation. It completed Phase 2 of the e-HKD Pilot Programme and validated key programmability features of digital currency through prepayment and dedicated fund use cases. It promoted the use of e-CNY in daily spending, providing customers with more flexible payment options. Through the HKMA’s Interbank Account Data Sharing (IADS) programme, it provided a streamlined application process for unsecured personal loans, credit cards and corporate loans, enhancing efficiency in credit approvals. It pushed forward the development of intelligent operations through process digitalisation, internal process automation and operation centralisation, in order to mitigate operational risks caused by manual handling and improve operational efficiency and capacity. In addition, BOCHK enhanced its talent cultivation and management mechanism and fostered an innovative corporate culture, thus enhancing its technological support capacity.

Providing full support for emergency relief and reconstruction following the fire disaster in Tai Po, Hong Kong. BOCHK took the lead in donating HKD20 million through the BOCHK Charitable Foundation and set up a dedicated account for the “Support Fund for Wang Fuk Court in Tai Po” established by the HKSAR Government. It also implemented a number of emergency measures, conveying warmth through its actions and working alongside others to safeguard hope.

BOCHK was named “The Strongest Bank in Hong Kong” by *The Asian Banker* for the sixth consecutive year, “Bank of the Year in Hong Kong” by *The Banker* for the third consecutive year, and “Best Bank – Hong Kong SAR (Domestic Category)” by *FinanceAsia* for the second consecutive year.

Please refer to the official website of BOC Group Life Assurance Company Limited, a subsidiary of BOCHK which engages in life insurance business in Hong Kong, for related information.

(Please refer to the results report of BOCHK for a full review of BOCHK’s business performance and related information.)

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 2025, the Bank further improved its collaboration capabilities and consolidated its regional coordination platform for comprehensive operations. It enhanced the collaboration mechanism for its institutions in Hong Kong (China) and improved cooperation among comprehensive operation companies. With a focus on its key business strategies, the Bank enriched the formats of its comprehensive operations matchmaking activities and steadily improved the overall quality and efficiency of collaboration in comprehensive operations. It strengthened top-level design of Group-wide management and control, adopted a systematic approach to standardising its Group-wide management mechanism, and improved the corporate governance structures of its comprehensive operation companies, 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 2025, BOCI had issued share capital of HKD3.539 billion, total assets of HKD62.711 billion and net assets of HKD24.931 billion. In 2025, BOCI realised a profit for the year of HKD1.759 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 led the market in IPO underwriting in Hong Kong and helped the Bank maintain its leading position in bond underwriting among Hong Kong peers. It accelerated the transformation of its traditional brokerage business into a wealth management business, and continued to enhance sales and marketing efforts as well as the account opening experience for high-net-worth clients. The number of wealth management clients increased by approximately 10% compared to the end of the previous year. By establishing an exclusive employee stock ownership plan (ESOP) platform, BOCI provided professional services to companies and their employees, managing various employee stock option schemes and achieving a steady increase in scale. BOCI continued to enhance its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOCI, ranked fifth in the Hong Kong Mandatory Provident Fund (MPF) market. Please refer to the annual report of BOC International (China) Co., Ltd (Stock Code: 601696.SH), a subsidiary of BOCI which engages in securities-related business in the Chinese mainland, 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 2025, BOCIM had registered capital of RMB100 million, total assets of RMB8.174 billion and net assets of RMB6.156 billion. In 2025, its profit for the year reached RMB892 million.

BOCIM steadily expanded its asset management business, maintained sound internal control and risk management, and constantly improved its brand and market reputation. It consistently upheld the principle of prioritising investor interests by strengthening the construction of a platform-based, integrated and multi-strategy investment research system, optimising product layout and management, and improving its sales services and post-investment engagement mechanisms. In 2025, the Company remained committed to serving the real economy, actively responded to regulatory requirements, and fully implemented the public fund industry's high-quality development action plan. During the year, BOCIM successfully launched several innovative products, including the market's first-ever central SOE-backed warehousing and logistics REIT ("BOCIM Sinotrans Warehousing and Logistics REIT"), and one of the market's first ETFs based on a free cash flow strategy and "BOCIM Quality Emerging Mixed Fund", which was the Company's first actively managed equity fund with a floating management fee rate. The Company actively advocated rational, value-based and long-term investment concepts. Among its products, the BOCIM Zhaoli Fund received the "Five-Year Open-Ended Bond Fund Sustained Excellence Golden Bull Award" at the 22nd Golden Bull Fund Awards organised by *China Securities Journal*. As at the end of 2025, BOCIM's AUM stood at RMB793.0 billion. Specifically, its publicly offered funds reached RMB733.4 billion and its publicly offered funds excluding money market funds reached RMB337.2 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, the provision of wealth management advisory and consulting services, and other asset management-related business. As at the end of 2025, BOC Wealth Management had a registered capital of RMB10.000 billion, total assets of RMB21.967 billion and net assets of RMB21.269 billion. In 2025, BOC Wealth Management realised a profit for the year of RMB2.499 billion.

BOC Wealth Management implemented requirements for the high-quality development of the financial sector, continued to enhance support for investment in major strategies, key areas and weak links, established an investment research system for serving the real economy and strengthened its multi-strategy, multi-asset allocation capability. In response to the low-interest-rate market environment, it optimised its product system, enriched its themed offerings in

pension finance, green finance, inclusive finance and cross-border business, and improved its “fixed income+” product mix to meet the public’s diverse financial needs. It strengthened its market-oriented sales and service system, consolidated its customer base, expanded distribution channels and enhanced its customer engagement capabilities. With a focus on deepening technological empowerment, BOC Wealth Management took “Data Factor×” and “AI+” as key breakthroughs and accelerated its digital and intelligent transformation. It improved its comprehensive risk management framework and reinforced bottom-line thinking to balance development with security. In 2025, BOC Wealth Management issued a total of 986 wealth management products, with cumulative funds raised amounted to RMB4.01 trillion, and 892 products reached maturity, with the cumulative redemption payments amounted to RMB3.93 trillion. As at the end of 2025, 1,347 wealth management products remained outstanding, with a balance of RMB1.96 trillion.

Insurance

BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong (China) through BOCG Insurance. As at the end of 2025, BOCG Insurance had an issued share capital of HKD3.749 billion, total assets of HKD11.094 billion and net assets of HKD5.471 billion. In 2025, BOCG Insurance recorded insurance revenue of HKD2.686 billion and a profit for the year of HKD379 million.

BOCG Insurance helped to consolidate and enhance Hong Kong’s position as an international financial centre and remained committed to international, market-oriented, standardised and digital operations. Focusing on the “five major tasks” of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, BOCG Insurance rooted in the Hong Kong market, with strategic expansion into innovative business in the Guangdong-Hong Kong-Macao Greater Bay Area. BOCG Insurance comprehensively aligned with leading international peers and market benchmarks to robustly implement its insurance strategy and business coordination mechanism and advance product development and service upgrading. It also leveraged its expertise to meet the overseas insurance needs of the Group’s customers. Based on the Group’s integrated platform, BOCG Insurance expanded its customer base through multiple channels. 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 customer experience. Embracing ESG strategies, BOCG Insurance promoted green office practices and supported green finance initiatives. It maintained an appropriate balance between development and security, effectively prevented and defused financial risks through high-quality risk management, and firmly safeguarded the “bottom line” of regulatory compliance.

BOC Insurance

The Bank is engaged in property insurance business in the Chinese mainland through BOC Insurance. As at the end of 2025, BOC Insurance had registered capital of RMB4.535 billion, total assets of RMB12.739 billion and net assets of RMB5.339 billion. In 2025, it realised insurance revenue of RMB6.448 billion and a profit for the year of RMB286 million.

BOC Insurance adhered to compliant operations, pursued high-quality growth and served the country's overall strategic development, helping the insurance industry fulfil its role as a "shock absorber" for the economy and a "stabiliser" for society. It continued to advance the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, focused on strategic priorities such as cultivating new quality productive forces and promoting coordinated regional development, strengthened the supply of insurance products and services, and comprehensively enhanced its risk management and protection capabilities, thereby providing more robust insurance coverage in support of the real economy and people's livelihoods. During the year, it provided insurance coverage totalling RMB53.23 trillion, delivered claims services 2.0873 million times, and paid compensation exceeding RMB3.861 billion. It actively implemented the Group's development strategy, continued to deepen bank-enterprise collaboration, focused on the innovation and promotion of products with banking and insurance characteristics, and continuously enhanced the functional value of property insurance in the integrated financial services system. Adhering to a specialised and differentiated operating approach, it continued to strengthen its efforts in areas such as overseas business and credit guarantee insurance. During the year, it provided insurance coverage for 337 overseas projects, with the aggregate sum insured reaching RMB200.0 billion. Its market competitiveness in tariff guarantee insurance remained the highest in the industry. BOC Insurance maintained a prudent and stable risk appetite, dynamically improved its comprehensive risk management framework and continued to strengthen its risk identification, early warning and response capabilities. It firmly reinforced the "bottom line" of compliance management to ensure safe and sound operations and development. It continued to strengthen social responsibility disclosure and communications, actively engaged in public welfare and livelihood protection initiatives, and fulfilled its responsibilities as an insurance company through concrete actions.

BOC Insurance maintained an "A-" credit rating and "stable" outlook from Standard & Poor's for the 12th consecutive year. It was included as one of the "2025 National Governance Innovation Experience Typical Cases" by *People's Tribune*, received the "2024-2025 Golden Reputation Annual Innovative Insurance Product" award from China Financial Media, and was recognised as a "GoldenBee Leading Enterprise" in the "2025 GoldenBee CSR China Honour Roll".

Investment Business

BOCG Investment

The Bank is engaged in overseas direct investment and investment management business through BOCG Investment. As at the end of 2025, BOCG Investment had issued share capital of HKD34.052 billion, total assets of HKD510.539 billion and net assets of HKD141.214 billion on a consolidated basis. In 2025, BOCG Investment recorded a profit for the year of HKD9.911 billion.

BOCG Investment's business scope includes private equity investment, fund investment and management, real estate investment and management. By strictly implementing national strategies and the Group's arrangements, BOCG Investment achieved initial results in its strategic transformation. In line with the development of Hong Kong as an international innovation and technology centre, it actively invested in the technology and innovation sectors. To help expand high-standard opening up, it explored investment opportunities in Belt and Road partner countries, with a focus on Southeast Asia. Furthermore, it strengthened its comprehensive risk management system and enhanced its risk control capabilities. Please refer to the official website of BOC-Samsung Life Ins. Co., Ltd, a subsidiary of BOCG Investment which engages in life insurance business in the Chinese mainland, for a full review of its business performance and related information. Please refer to the annual report of BOC Aviation Limited (stock code: 02588.HK), a subsidiary of BOCG Investment which engages in the aircraft leasing business, for a full review of its business performance and related information.

BOC Asset Investment

The Bank is engaged in debt-for-equity swap and equity investment business in the Chinese mainland through BOC Asset Investment. As at the end of 2025, BOC Asset Investment had registered capital of RMB14.500 billion, total assets of RMB96.024 billion and net assets of RMB29.944 billion. In 2025, it realised a profit for the year of RMB3.025 billion.

BOC Asset Investment conducted debt-for-equity swap and equity investment 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 and green finance sectors, among others, to advance the construction of a modern industrial system. Steadily advancing its equity investment business, BOC Asset Investment established 28 private equity investment funds and invested in projects in industries such as commercial aerospace, biomedicine, artificial intelligence and integrated circuits. As at the end of 2025, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB266.036 billion.

Leasing Business

BOC Financial Leasing

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOC Financial Leasing. As at the end of 2025, BOC Financial Leasing had registered capital of RMB10.800 billion, total assets of RMB87.885 billion and net assets of RMB12.455 billion. In 2025, BOC Financial Leasing realised a profit for the year of RMB337 million.

BOC Financial Leasing 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 2025, BOC Financial Leasing had conducted a total of RMB149.950 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 89.13% of the total. It also served the green mobility, new energy power generation, solid waste disposal and air quality management sectors, with green financial leasing accounting for 55.22% of total leasing assets. BOC Financial Leasing adhered to the principle of combining industry and finance to drive innovative development and made breakthroughs in multiple areas, including commercial aerospace, semiconductor equipment and cross-border equipment leasing. It accelerated the expansion of its aviation and shipping business, delivering 27 wide/narrow-body aircraft of various kinds and executing the Group's first domestically developed C919 large passenger aircraft business, the first unmanned aerial vehicle leasing business for the low-altitude economy, and the first domestic unmanned helicopter leasing business. Its fleet comprised 60 vessels and was progressively diversified to achieve asset allocation across major vessel types, including bulk carriers, container ships, tankers and LNG carriers, supporting the national cargo transportation and shipbuilding industries.

BOC Financial Leasing was the sole recipient of the “Leading Leasing Enterprise Supporting RMB Internationalisation” title at the China Financial Leasing Taking Off Award in 2025. It was also honoured with the “Industry Promotion Award” in the 11th China Air Finance “WAN HOO Award”, as well as the “Innovation Award” in the 9th China Maritime Finance “Qianxing Award”.

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 2025, BOC Consumer Finance had registered capital of RMB1.514 billion, total assets of RMB77.268 billion and net assets of RMB9.314 billion. In 2025, it recorded a profit for the year of RMB215 million.

BOC Consumer Finance closely aligned with national strategic plans to expand domestic demand and boost consumption, and integrated its own high-quality transformation into the building of a new development pattern. It comprehensively aligned with market needs and contributed its professional strengths to stabilising growth and promoting consumption through convenient and inclusive consumer finance services. As at the end of 2025, its outstanding loans stood at RMB77.378 billion.

Service Channels

Focusing on customer experience and taking digital transformation as a key driver, the Bank accelerated the transformation and upgrading of all service channels. It developed online channels with enhanced ecosystem integration capabilities and offline channels with stronger value creation capacity, cultivating an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

Online Channels

Tapping the potential of technological empowerment, the Bank vigorously expanded its online channels to rapidly develop its online businesses. In 2025, its transaction volume through e-channels reached RMB389.27 trillion.

In corporate banking, the Bank built a Group-wide integrated financial services portal and continuously optimised the online service experience for corporate customers. New functions were added to the Bank's domestic corporate online banking platform, including e-invoicing, asset management plans, the "Shipping Express" service, letters of credit, letters of guarantee, collections and trade financing products, as well as a dedicated section for foreign exchange. More than 140 existing functions, such as account enquiry, fund transfers and remittances, and electronic receipt enquiry and downloads, were further optimised. The overseas corporate online banking platform optimised over 50 functions involving more than 30 overseas institutions during the year, focusing on key functions such as "SEPA Instant Credit Transfer", payroll services and cash management. As at the end of 2025, the platform covered 56 overseas countries and regions and provided services in 14 languages, maintaining leading coverage among Chinese-funded peer banks. The corporate mobile banking app was upgraded to version 6.0. The platform now supports over 190 service functions, including a newly-added foreign exchange section with five specialised service zones, and introduced convenient features such as single-user mode, e-invoicing and intelligent form auto-fill, driving rapid growth in active users. In addition, an English version of the corporate mobile banking app was launched, including a dedicated section for foreign exchange, providing streamlined services for foreign-funded and cross-border enterprises.

In personal banking, the Bank focused on enhancing customer experience and continuously upgraded the service capabilities of its personal mobile banking app. The Bank enriched its wealth management services, launched a new version of its transfer and remittance services, and added functions such as family trust, a self-selection centre for investment and wealth management products, and unified risk assessment, helping customers preserve and grow their assets. It upgraded its distinctive cross-border services, launched its “Payment Connect” service, and supported real-time cross-border remittance from the Chinese mainland to Hong Kong (China). It introduced global account services and enabled online customers to view assets across their accounts in the Chinese mainland and Hong Kong (China). It upgraded platform customer experience, improved its mobile banking user system and introduced a new user category of real-name users without linked cards. It revamped its mobile banking channels by introducing video news and information, themed hubs and a trending search list, as well as expanding search scope, thereby upgrading the user experience and strengthening content engagement. It boosted online-offline synergy, introduced account pre-filling and electronic receipt functions, and established a new closed-loop service process of “online information pre-filling – offline verification and processing – online receipt downloading”, significantly improving business handling efficiency. In 2025, the number of medical insurance code authorisations for personal mobile banking amounted to 28.67 million. It optimised services for key customer groups, added a dedicated section for pension finance, and provided one-stop financial services for retirement planning and pension services. It also enhanced the “Beautiful Countryside” version of mobile banking and added convenient services such as a matchmaking channel and online limit assessment. The Bank continuously improved the digital risk control and anti-phishing monitoring capabilities of its online channels, identifying and shutting down a total of 9,396 phishing websites and app download links in 2025. Its “Cyber Defence” smart risk control and prevention system monitored 9.217 billion online transactions. As at the end of 2025, the number of registered customers and monthly active customers of mobile banking reached 313.05 million and 104.90 million, respectively, making mobile banking the Bank’s most active trading channel.

The Bank’s mobile banking app was honoured with the “People’s Craftsmanship Product” award at the 2025 People’s Craftsmanship Brand Promotion Event organised by people.cn, and the “National Mobile Banking Leading Star” award at the 2025 Digital Banking Excellence Selection organised by www.cebnet.com.cn.

Offline Channels

The Bank steadily advanced the optimisation and upgrading of its outlets and strengthened the integration of financial services with livelihood-related scenarios. It continued to refine its outlet network and ensured sufficient resource allocation to channels in key regions and counties. During the year, the Bank optimised and adjusted 380 outlets in total (including new openings, closures, and relocations). It expanded into 21 previously unserved counties, increasing its county coverage ratio by 1.12 percentage points to 66.95% and bringing the total number of institutions operating in county and township areas to 3,018. The Bank accelerated the development of featured outlets, establishing outlets specialised in areas such as technology finance, green finance, inclusive finance and pension finance in line with local conditions, and strengthened the ability of offline channels to serve key customer groups, regions and businesses. It enhanced outlets' intelligent service capabilities. By utilising tablet-version smart counters, it enabled off-site processing for services including digital debit card issuance and the issuance of authentication tools, supporting the expansion of key products. It continued to streamline business processes for account opening, contract signing, limit adjustments and transaction statement printing, improving service efficiency and customer experience.

As at the end of 2025, the Bank's commercial banking institutions in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) totalled 10,255, with 43,046 smart counters and 22,272 ATMs, and the annual ATM transaction volume totalled RMB1,538.8 billion. The number of other institutions in the Chinese mainland totalled 671, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 533.

Special Feature III: Empowering Business Development with Technology

The Bank closely monitored cutting-edge trends in technological advancement and explored practical scenarios and innovative pathways for leveraging financial technology to empower business development. In 2025, the number of employees engaged in technology and digital operations management stood at 19,987, accounting for 6.37% of total employees, of which 16,606 were employees of the Group's commercial banks in the Chinese mainland, accounting for 6.05% of such employees. The Bank invested RMB25.001 billion in financial technology (according to the statistical standards of regulators in the Chinese mainland) during the year, representing 3.80% of its operating income.

Comprehensively improving technological support capability. The Bank steadily advanced the development of 40 technological and strategic projects and optimised its application project management mechanism, resulting in a 13.4% year-on-year reduction in average project delivery time. It continued to promote the transformation of its technological architecture, with the total number of cloud platform servers reaching 51,000. The Bank continuously upgraded its basic technology platform. As at the end of 2025, its distributed technology platform supported the migration of 443 Head Office-level applications to the cloud. 197 Head Office-level applications and 161 branch-level applications were connected to its front-end technology platform, and 261 Head Office-level applications and 35 branch-level applications to its big data technology platform. The availability of important information systems was maintained at above 99.99%.

Accelerating the promotion of innovative scientific and technological applications. The Bank fully implemented the "AI+" initiative and formulated the "*AI+*" *Development Plan of Bank of China*. Focusing on "building platforms, aggregating data, promoting applications, managing risks and establishing mechanisms", it advanced digital and intelligent transformation across the Bank. Leveraging three major platforms for computing power, technology and data; two agile, efficient, secure and reliable mechanisms for AI-enabled governance, and six typical application paradigms (including intelligent Q&A and report generation), the Bank developed the BOCAI large model platform, deployed a series of large models such as DeepSeek and Qwen3, and built more than 400 intelligent assistants to empower key business functions including credit, marketing, operations, office work, customer service and technology. Its intelligent R&D assistant recorded nearly 10,000 users, including over 6,900 monthly active users, with a code adoption rate of over 30%, helping improve financial technology efficiency. The Bank continued to push boundaries in the application of new technologies. It leveraged enterprise-level robotic process automation (RPA) to reduce the workload of primary-level institutions, deploying RPA in over 3,600 scenarios and executing an average of nearly 300,000 tasks per month. The Bank continuously enhanced its image-recognition capabilities and supported the recognition of over 270 bills and certificates, with an average daily call volume of 1.5 million requests, effectively improving operational quality and efficiency. In addition, the Bank took a forward-looking approach in cutting-edge sectors such as quantum technology. It established a full-lifecycle management system for quantum-resistant digital certificates and keys, accelerated the adaptation and support of quantum-resistant cryptography algorithms as well as the migration and verification of pilot application projects, and conducted research on the application of quantum wireless satellite communication technology in financial scenarios.

Continuously strengthening its fundamental capabilities. In terms of marketing, the Bank built a brand-new digital marketing hub covering six themes, including strategy, campaigns, benefits and outreach, etc. Through this hub, it introduced new marketing tools, launched further marketing activities and connected with customer communication systems such as mobile banking, SMS and smart counters through a single access point, enhancing its ability to respond in a targeted manner to customers’ demands for financial services. It also established a one-stop customer relationship management platform to make customer services more refined, intelligent and automated. In terms of operations, the Bank centralised operations in 43 business scenarios, effectively improving efficiency in the processing of complex transactions. It made remote approval more intelligent by further increasing the automation rate of transaction review. In terms of payments, the Bank launched features including quick payment one-click restriction removal, one-click rollback, card-binding optimisation, and the integration of mobile banking within the UnionPay cloud network. The success rate of card binding increased by 5%, helping improve the customer experience with online payment products. In terms of risk control, the Bank built new credit risk management system components and established a Group-level credit risk monitoring and early warning system covering all customers, statistical standards and processes. It improved its anti-fraud system and enhanced the flexibility and timeliness of fraud risk monitoring to fully safeguard the security of customers’ funds.

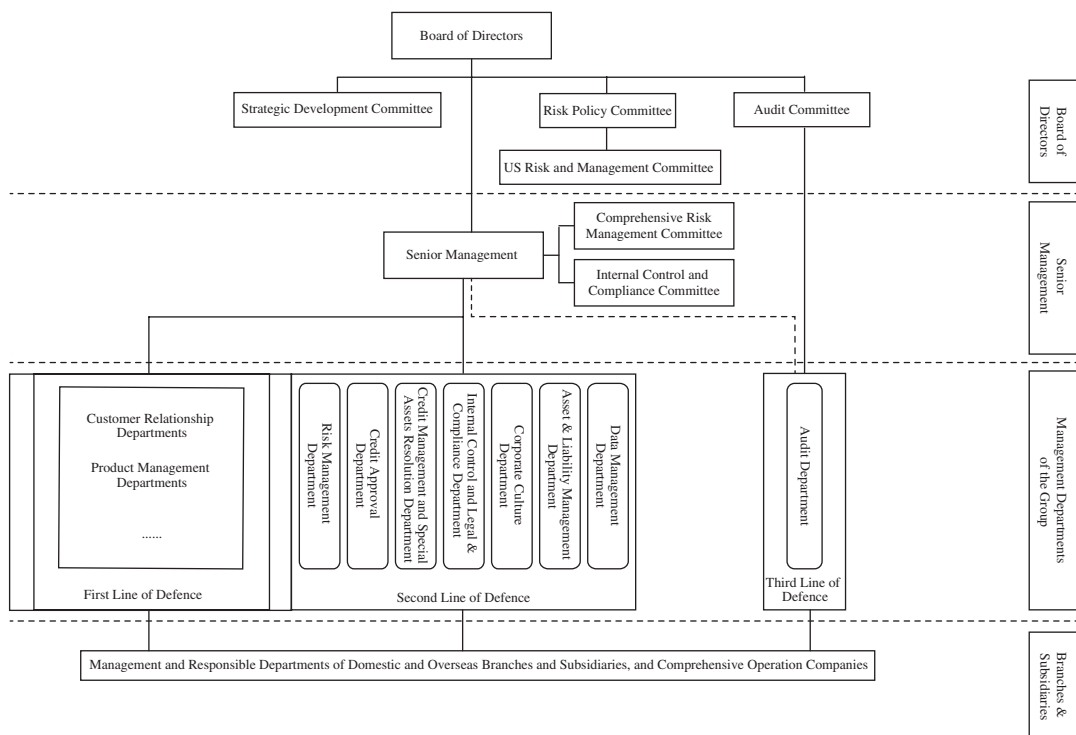
Further unleashing dynamism in product innovation. The Bank deepened its open competition mechanism to stimulate further innovation across the Group. Targeting key areas such as the “five major tasks” and cross-border services, the Bank rolled out more than 180 innovation achievements. It replicated and promoted digital transformation outcomes at the branch level and provided branches with digital marketing tools and risk prevention measures, thereby reducing the burden on primary-level institutions and empowering their business development through digital technologies.

In addition, the Bank is engaged in fintech innovation, software development, platform operation and technical consulting services through BOC Financial Technology. Positioned as the comprehensive service base, scenario-based construction platform, innovation mechanism and unified output channel of the Group’s technology system, BOC Financial Technology is deeply integrated into the Group’s comprehensive service system to support the Group’s digital financial development. BOC Financial Technology fully implemented market-by-market IT development plans for the Group’s comprehensive operation companies and helped improve the Group’s comprehensive technological support capacity. It devoted great efforts to building a scenario-based ecosystem, including a corporate treasury system, the “Rejuvenation Platform”, and the “BOC Compass” app, thereby helping to improve its digital services for industrial customers. It deepened the application of innovative technologies and focused on building the Group’s “Quantum 1650” technology innovation finance platform. Furthermore, it focused on IFRS 17 (the new accounting standard for insurance contracts) and anti-money laundering products to steadily advance external cooperation, with the aim of providing mature, stable and highly professional system support to customers. It continued to expand the Group’s “finance + technology” brand influence, and was listed among the “2025 IDC China FinTech Emerging 50” and “KPMG China FinTech Companies Double 50”.

RISK MANAGEMENT

The Bank has established a sound and effective organisational structure for risk management that comprises the Board of Directors, the Senior Management, risk management departments, business departments and internal audit departments. The Board of Directors assumes ultimate responsibility for enterprise risk management, while the Senior Management assumes responsibility for the implementation of enterprise risk management. Adhering to the principles of “forward-looking, proactive, adaptive and applicable”, the Bank continued to promote the development of its enterprise risk management system. It optimised its risk appetite to align with its business strategies, and actively supported high-quality development. To strengthen risk governance, it consistently advanced closed-loop research and analysis and closed-loop emergency response, and improved its assessment framework for enterprise risk management performance. The Bank strengthened risk management penetration at all organisational levels, improved the risk prevention and control framework of its overseas institutions, and effectively implemented differentiated risk management for its comprehensive operation companies. Efforts were made to mitigate risks in key areas such as real estate and local government debt, and to firmly defend the “bottom line” of zero occurrence of systemic financial risk. The Bank accelerated the digital and intelligent transformation of risk management, strengthening its risk data foundations, improving internal rating models and optimising system functionalities, so as to enhance its capabilities in risk measurement, risk monitoring and risk management. It steadily advanced the implementation of the *Capital Rules for Commercial Banks* and efficiently fulfilled its regulatory reporting and external disclosure obligations, taking the new rules as an opportunity to strengthen the refined management of its risk-weighted assets and continuously deepen the management and application of credit ratings.

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. 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 all types of risks faced by overseas institutions and comprehensive operation companies, with special attention paid to the characteristic risks faced by the latter, to better support 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 credit risk management.

Continuously optimising its credit structure in line with national strategies. Taking full account of national strategies, regulatory policy, market conditions and its own business characteristics, the Bank formulated industry guidelines for credit allocation and revised its policy for industry limit and concentration management. With a focus on expanding domestic demand, advancing the "five major tasks" and promoting high-level opening up, it continued to offer services for key development areas, including government finance, infrastructure, technology finance, green finance, foreign trade and foreign investment, the new development pattern for

real estate, the “Three Rural” sector (agriculture, rural areas, and farmers), coordinated regional development, people’s livelihood and consumption, among others. In addition, it supported the localised development of new quality productive forces and the construction of a modern industrial system.

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 actively supported the coordination mechanism for urban real estate financing, distinguishing between the risks of real estate projects and the risks of enterprises, to help stabilise the real estate market. It supported the development of rental housing and affordable housing, to promote the establishment of the new development pattern for real estate. The Bank also actively supported the mitigation of local government related debt risks. **In personal banking,** the Bank reviewed its personal credit policies and product measures and adjusted its personal credit strategies to support the development of its personal credit business in line with regulatory requirements and emerging trends in developmental needs. It continuously developed its library of credit risk monitoring indicators, improved its risk monitoring and early warning mechanism at the portfolio level, and enhanced the control and mitigation of potential risks, to ensure that credit risk remains 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 based on 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 NPAs. 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 2025, the Group's NPLs⁴ totalled RMB288.036 billion, an increase of RMB19.255 billion compared with the prior year-end. The NPL ratio was 1.23%, 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 RMB577.144 billion, an increase of RMB37.967 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 200.37%, a decrease of 0.23 percentage points compared with the prior year-end. The NPLs of the Bank's institutions in the Chinese mainland totalled RMB239.277 billion, an increase of RMB23.188 billion compared with the prior year-end. The NPL ratio of the Bank's institutions in the Chinese mainland was 1.18%, an increase of 0.01 percentage points compared with the prior year-end. The Group's outstanding special-mention loans stood at RMB343.470 billion, an increase of RMB27.009 billion compared with the prior year-end, and accounted for 1.47% of total loans and advances, remained unchanged compared to the end of last year.

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 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Group				
Pass	22,776,008	97.30%	20,958,343	97.28%
Special-mention	343,470	1.47%	316,461	1.47%
Substandard	52,790	0.23%	68,553	0.32%
Doubtful	103,081	0.44%	94,753	0.44%
Loss	132,165	0.56%	105,475	0.49%
Total	23,407,514	100.00%	21,543,585	100.00%
NPLs	288,036	1.23%	268,781	1.25%
Chinese mainland				
Pass	19,791,100	97.57%	18,041,271	97.53%
Special-mention	252,844	1.25%	240,645	1.30%
Substandard	36,570	0.19%	46,813	0.25%
Doubtful	94,298	0.46%	83,169	0.45%
Loss	108,409	0.53%	86,107	0.47%
Total	20,283,221	100.00%	18,498,005	100.00%
NPLs	239,277	1.18%	216,089	1.17%

Loan and Advance to Customers Migration Ratio

Unit: %

Items	2025	2024	2023
Pass	1.03	1.06	1.20
Special-mention	21.98	21.62	26.41
Substandard	45.72	63.08	47.40
Doubtful	42.19	49.27	33.09

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

Unit: RMB million, except percentages

Items	As at 31 December 2025				As at 31 December 2024			
	Loans	% of total	NPLs	NPL ratio	Loans	% of total	NPLs	NPL ratio
Chinese mainland								
Corporate loans and advances								
Commerce and services	3,915,566	16.73%	47,401	1.21%	3,184,738	14.78%	43,274	1.36%
Manufacturing	3,229,361	13.80%	28,350	0.88%	2,732,283	12.68%	29,485	1.08%
Transportation, storage and postal services	2,374,684	10.14%	7,043	0.30%	2,227,840	10.34%	6,138	0.28%
Production and supply of electricity, heating, gas and water	1,429,773	6.11%	10,482	0.73%	1,272,285	5.91%	11,562	0.91%
Real estate	966,833	4.13%	60,519	6.26%	967,297	4.49%	47,799	4.94%
Financial services	686,713	2.93%	2	0.00%	538,497	2.50%	145	0.03%
Construction	557,679	2.38%	7,422	1.33%	493,051	2.29%	7,047	1.43%
Water conservancy, environment and public utility management	475,795	2.03%	4,783	1.01%	476,392	2.21%	5,258	1.10%
Mining	281,028	1.20%	1,824	0.65%	259,771	1.21%	2,401	0.92%
Public utilities	235,105	1.00%	4,078	1.73%	227,207	1.05%	2,904	1.28%
Others	107,608	0.47%	1,418	1.32%	86,948	0.40%	1,381	1.59%
Subtotal	14,260,145	60.92%	173,322	1.22%	12,466,309	57.86%	157,394	1.26%
Personal loans								
Residential mortgages	3,982,786	17.01%	23,882	0.60%	4,089,266	18.98%	25,141	0.61%
Personal consumer loans	515,733	2.20%	11,225	2.18%	401,813	1.86%	6,419	1.60%
Personal business loans	1,038,552	4.44%	20,237	1.95%	947,214	4.40%	16,863	1.78%
Credit cards	486,005	2.08%	10,611	2.18%	593,403	2.76%	10,272	1.73%
Subtotal	6,023,076	25.73%	65,955	1.10%	6,031,696	28.00%	58,695	0.97%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	3,124,293	13.35%	48,759	1.56%	3,045,580	14.14%	52,692	1.73%
Total of the Group	23,407,514	100.00%	288,036	1.23%	21,543,585	100.00%	268,781	1.25%

The Bank continued to optimise its credit structure and stepped up efforts to support the real economy. As at the end of 2025, loans and advances for the manufacturing industry totalled RMB3,229.361 billion, an increase of RMB497.078 billion or 18.19% compared with the prior year-end. Loans and advances for the production and supply of electricity, heating, gas and water totalled RMB1,429.773 billion, an increase of RMB157.488 billion or 12.38% compared with the prior year-end.

In accordance with *International Financial Reporting Standard No. 9 Financial Instruments*, 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 2025, the Group's Stage 1 loans and advances totalled RMB22,603.928 billion, accounting for 96.58% of total loans and advances; Stage 2 loans and advances totalled RMB512.762 billion, accounting for 2.19% of total loans and advances; and Stage 3 loans and advances totalled RMB288.015 billion, accounting for 1.23% of total loans and advances.

As at the end of 2025, the Group's credit-impaired loans and advances totalled RMB288.036 billion, an increase of RMB19.255 billion compared with the prior year-end. The credit-impaired loans to total loans ratio was 1.23%, 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 RMB239.277 billion, an increase of RMB23.188 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 1.18%, an increase of 0.01 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 RMB48.759 billion and a credit-impaired loans to total loans ratio of 1.56%, a decrease of RMB3.933 billion and 0.17 percentage points, respectively, compared with the prior year-end.

Movement of Credit-impaired Loans and Advances

Unit: RMB million			
Items	2025	2024	2023
Group			
Balance at the beginning of the year	268,781	253,205	231,677
Increase during the year	78,780	95,144	96,844
Decrease during the year	(59,525)	(79,568)	(75,316)
Balance at the end of the year	288,036	268,781	253,205
Chinese mainland			
Balance at the beginning of the year	216,089	207,297	202,404
Increase during the year	66,663	71,261	66,760
Decrease during the year	(43,475)	(62,469)	(61,867)
Balance at the end of the year	239,277	216,089	207,297

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

Unit: RMB million

Items	As at 31 December 2025		As at 31 December 2024		As at 31 December 2023	
	Total loans	Impaired loans	Total loans	Impaired loans	Total loans	Impaired loans
Group						
RMB	20,313,630	234,280	18,470,028	210,038	16,672,058	200,330
Foreign currency	3,093,884	53,756	3,073,557	58,743	3,235,929	52,875
Total	23,407,514	288,036	21,543,585	268,781	19,907,987	253,205
Chinese mainland						
RMB	20,058,661	234,280	18,249,677	210,038	16,482,189	200,330
Foreign currency	224,560	4,997	248,328	6,051	354,695	6,967
Total	20,283,221	239,277	18,498,005	216,089	16,836,884	207,297

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 Group's accounting policy in relation to allowances for impairment losses.

In 2025, the Group's impairment losses on loans stood at RMB107.185 billion, a decrease of RMB13.676 billion compared with the prior year. The credit cost was 0.48%, a decrease of 0.10 percentage points compared with the prior year. Specifically, the Bank's institutions in the Chinese mainland registered impairment losses on loans of RMB95.074 billion, a decrease of RMB14.784 billion compared with the prior year. The credit cost of the Bank's institutions in the Chinese mainland was 0.49%, a decrease of 0.13 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 2025	As at 31 December 2024	As at 31 December 2023
Loan and advance concentration ratio of the largest single borrower	2.5	2.5	2.0
Loan and advance concentration ratio of the ten largest borrowers	12.5	12.7	13.0

Notes:

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

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

The following table shows the ten largest individual borrowers as at the end of 2025.

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	97,985	0.42%
Customer B	Financial services	NO	57,999	0.25%
Customer C	Transportation, storage and postal services	NO	51,030	0.22%
Customer D	Financial services	NO	49,041	0.21%
Customer E	Transportation, storage and postal services	NO	42,937	0.18%
Customer F	Financial services	NO	41,761	0.18%
Customer G	Transportation, storage and postal services	NO	40,667	0.17%
Customer H	Transportation, storage and postal services	NO	38,935	0.17%
Customer I	Manufacturing	NO	37,093	0.16%
Customer J	Financial services	NO	35,654	0.15%

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, continuously improved its the market risk limit system and steadily controlled market risk. The objective of the Group's market risk management is to effectively prevent 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.

Optimising its market risk management system and comprehensively improving market risk management effectiveness. The Bank proactively implemented new market risk regulatory requirements and improved its market risk management policies and systems. Using appropriate quantitative and qualitative methods, it carried out effective identification, measurement, monitoring, control and reporting of market risk. The Bank optimised its multi-layered market risk limit system to enhance management flexibility and effectively transmit its market risk appetite. In response to a complex and volatile market, it further strengthened its forward-looking and proactive risk control mechanism and responded prudently to evolving market conditions. The Bank intensified its efforts in emergency drills and stress testing, and strengthened 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* regarding market risk capital, measured regulatory capital for market risk in accordance with regulatory requirements, and innovatively incorporated capital allocation results into its market risk limit framework, thus integrating capital measurement into business and risk management. Taking the implementation of the *Capital Rules for Commercial Banks* as an opportunity for improvement, the Bank continued to consolidate and upgrade its systems and solidified the foundations of its data, model and system management, with the objective of establishing a suite of market risk management information systems characterised by compliance, accuracy, efficiency and independent development, thereby effectively supporting high-quality business development.

Steadily implementing forward-looking market risk research and judgment to enhance risk management of securities investments. The Bank tracked domestic and international market developments, issued timely analysis and risk warnings, and continuously refined and enhanced the precision of its market risk limit system for bond investments. It reinforced its early warning mechanisms and strengthened the bond investment risk penetration management capabilities of its comprehensive operation companies, thereby steadily consolidating the asset quality of its securities investment business.

Achieving currency matching between fund source and application to manage 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 changes in the domestic and international economic situation, tracked market fluctuations, conducted risk inspections and stress testing in response, made timely adjustments to the structure of its assets and liabilities, optimised its internal and external pricing strategy and/or implemented risk hedging, and strengthened branch management, thus controlling the Bank's IRRBB at a reasonable level.

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 table below illustrates the potential impact of a 25 basis point interest rate move on the net interest income of the Group for the next 12 months from the reporting date.

Unit: RMB million

Items	(Decrease)/increase in net interest income	
	As at 31 December 2025	As at 31 December 2024
Up 25 bps	(4,494)	(3,443)
Down 25 bps	4,494	3,443

Liquidity Risk Management

Liquidity risk refers to the risk that commercial banks cannot timely obtain sufficient funds 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 bears ultimate responsibility for liquidity risk management, including examining and approving the Group's liquidity risk preferences and liquidity risk management strategies. The Senior Management implements the liquidity risk tolerance level and liquidity risk management strategies approved by the Board of Directors and carries out 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 all Group institutions collaborate to complete funding arrangements that ensure the overall liquidity security of the Group, and assume their respective functions for liquidity risk management within the overall policy framework mentioned above. Each subsidiary assumes responsibility for their 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 appropriately 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 liquidity stress-testing arrangements. 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 2025, the Group's liquidity risk indicator met regulatory requirements. The Group's liquidity ratio and the loan-to-deposit ratio of the Bank's domestic operations, calculated in accordance with the relevant provisions of regulatory authorities in the Chinese mainland, are shown in the table below:

Unit: %

Ratio		Regulatory standard	As at 31 December 2025	As at 31 December 2024	As at 31 December 2023
Liquidity ratio	RMB	≥25	49.6	55.4	55.0
	Foreign currency	≥25	85.9	79.0	70.2
Loan-to-deposit ratio	RMB and foreign currency	–	88.2	87.2	82.7

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 2025, 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 2025	As at 31 December 2024
Overdue/undated	2,350,764	2,225,135
On demand	(10,917,687)	(10,416,778)
Up to 1 month	(1,399,275)	(580,917)
1-3 months (inclusive)	(1,302,943)	(1,448,591)
3-12 months (inclusive)	(632,216)	(77,235)
1-5 years (inclusive)	4,530,811	3,517,738
Over 5 years	10,578,670	9,733,612
Total	3,208,124	2,952,964

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 2025 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 external events. This includes legal risk but excludes strategic risk and reputational risk.

The Bank implemented the *Measures for the Management of Operational Risk of Banking and Insurance Institutions* 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), loss data collection (LDC) and operational risk event management (OREM), etc., carried out the identification, assessment and monitoring of operational risks, standardised its operational risk reporting mechanism, improved its risk management measures and further refined the management of operational risk capital measurement. The Bank enhanced its IT system support capabilities by optimising its operational risk management information system. It strengthened the Group's business continuity management system, optimised its operating mechanism, enhanced its business continuity management policies and performed business impact analysis. The Bank also refined its 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 the monitoring of country risk exposures.

In 2025, faced with an extremely complicated international political and economic situation, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements and based on its business development needs. It re-examined its country risk ratings and limits, strengthened the monitoring and early warning of limit implementation, 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 2025, its 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 and 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 establishment 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 systems 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 mechanism and further reinforced its response to global cybersecurity incidents. It fulfilled its responsibility for data security and promoted data security protection throughout the lifecycle to ensure customer information security. In 2025, the Bank actively blocked various types of external cyberattacks and no significant cybersecurity incidents occurred.

Internal Control and Compliance Management

Internal Control

The Board of Directors, 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 internal control and risk management, 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 accountability and responsibility work related to employee violations. 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. As the third line of defence in internal control and risk management, the audit department is responsible for performing internal audits of the adequacy and effectiveness of the Bank's internal control and risk management. Adopting a problem-oriented and risk-oriented approach, it highlighted the proactive role of audit work. Focusing on the implementation of national policies, key regulatory priorities, and the Group's development plan, 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, institutions, and links, promoted the deep integration of digitisation and research-based audit practices, and improved the audit monitoring system to continuously strengthen off-site auditing capabilities. While carrying out audits in an orderly manner, the audit department attached equal importance to problem discovery and rectification supervision. It conducted independent evaluations of the quality and effectiveness of audit findings and the appropriateness and effectiveness of the operation of the Group's rectification mechanism, continuously promoting the application of audit results and improving rectification quality and efficiency. It enhanced coordination and connection with other supervisory functions and improved the routine risk prevention and control of the first and second lines of defence, thereby jointly enhancing stronger supervisory synergy.

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 implemented 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, established supervision mechanism for case risk prevention and control, 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 its 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 2025, the Bank successfully prevented 276 external cases involving a total of RMB570.4254 million.

Compliance Management

The Bank continuously improved its compliance management system and mechanisms and processes, and actively implemented the *Measures for Compliance Management of Financial Institutions* to ensure the Group's sound operation and sustainable development.

Improving its anti-money laundering, counter-terrorist financing, counter-proliferation financing and sanctions compliance programme to further enhance 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 optimised 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, and reinforced data governance of connected transactions. 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 automated 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, etc., 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 alignment in its strategic planning, capital replenishment and performance assessment, and continuously improved the quality of its capital management. It enhanced its economic capital budget and assessment mechanism, strengthened capital constraints and incentives, and firmly established the principle of capital conservation and value creation to enhance its capacity for endogenous capital accumulation. It expanded the application of advanced approaches to capital measurement, improved its on and off-balance sheet asset structure, strengthened refined capital management, optimised its capital-intensive businesses and developed capital-light businesses, reduced inefficient capital usage and accelerated its transformation to a capital-efficient and conservation-oriented operating model. It optimised its internal capital adequacy assessment process and improved its capital management structure. The Bank prudently replenished its capital through external financing channels in order to consolidate its capital base. As a result, its capital adequacy level and Total Loss-Absorbing Capacity (TLAC) were robust and sufficient.

In 2025, the Bank successfully offered 27,824,620,573 A Shares to specified investors investor, with total proceeds amounting to RMB165.0 billion, and issued RMB70.0 billion of undated capital bonds, RMB160.0 billion of tier 2 capital bonds and RMB100.0 billion of TLAC non-capital bonds. A capital replenishment plan of RMB450.0 billion capital instruments and RMB200.0 billion of TLAC non-capital debt instruments supplement have been approved by the Shareholders' Meeting in July. It reinforced the management of existing capital instruments and redeemed USD2.82 billion of Offshore Preference Shares (Second Tranche), RMB90.0 billion of undated capital bonds and RMB60.0 billion of tier 2 capital bonds, effectively reducing its external replenishment costs. At the end of 2025, the Group's capital adequacy ratio was 18.85%, remaining at a robust and reasonable level. The TLAC risk-weighted ratio was 22.07%, meeting the regulatory requirement.

Capital Adequacy Ratios

The Group's capital adequacy ratios as at 31 December 2025, calculated in accordance with the *Capital Rules for Commercial Banks*, are listed below:

Unit: RMB million, except percentages

Items	As at	As at	As at
	31 December 2025	31 December 2024	31 December 2023
Net common equity tier 1 capital	2,622,071	2,344,261	2,161,825
Net tier 1 capital	3,002,708	2,763,286	2,570,272
Net capital	3,945,867	3,605,572	3,297,408
Total risk-weighted assets	20,932,851	19,217,559	18,591,278
Common equity tier 1 capital adequacy ratio	12.53%	12.20%	11.63%
Tier 1 capital adequacy ratio	14.34%	14.38%	13.83%
Capital adequacy ratio	18.85%	18.76%	17.74%

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 Consolidated Financial Statements and the *Bank of China Limited 2025 Pillar 3 Disclosure Report* for more detailed information about capital measurement.

Leverage Ratio

The Group's leverage ratio as at 31 December 2025, calculated in accordance with the *Capital Rules for Commercial Banks*, is listed below:

Unit: RMB million, except percentages

Items	As at	As at	As at
	31 December 2025	31 December 2024	31 December 2023
Net tier 1 capital	3,002,708	2,763,286	2,570,272
Adjusted on-and off-balance sheet exposures	40,339,678	36,681,725	34,785,923
Leverage ratio	7.44%	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 leverage ratio met the additional regulatory requirements for systemically important banks. For more detailed information about leverage ratio measurement, please refer to the *Bank of China Limited 2025 Pillar 3 Disclosure Report*.

ORGANISATIONAL MANAGEMENT, HUMAN RESOURCES DEVELOPMENT AND MANAGEMENT

Organisational Management

As at the end of 2025, the Bank had a total of 11,459 institutions worldwide, including 10,926 institutions in the Chinese mainland and 533 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 10,255 institutions, including 38 tier-1 and direct branches, 376 tier-2 branches and 9,840 outlets.

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

Unit: RMB million/unit/person, except percentages

Items	Assets		Institutions		Employees	
	Total assets	% of total	Number	% of total	Number	% of total
Northern China	12,007,297	29.76%	2,147	18.74%	68,443	21.81%
Northeastern China	1,286,427	3.19%	885	7.72%	22,718	7.24%
Eastern China	8,904,764	22.07%	3,457	30.17%	91,863	29.28%
Central and Southern China	6,326,155	15.68%	2,734	23.86%	66,819	21.30%
Western China	2,884,203	7.15%	1,703	14.86%	38,012	12.12%
Hong Kong (China), Macao (China) and Taiwan (China)	5,940,576	14.72%	389	3.39%	19,088	6.08%
Other countries and regions	2,997,622	7.43%	144	1.26%	6,803	2.17%
Elimination	(1,988,968)					
Total	38,358,076	100.00%	11,459	100.00%	313,746	100.00%

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

Human Resources Development and Management

In close alignment with the Group's strategy, the Bank continued to optimise its organisational structure and functional allocation so as to enhance the standardised, scientific nature of its organisational management. It optimised the functional framework of Head Office departments by streamlining Head Office institutions and establishing a sound long-term mechanism for the management of departmental roles and division of responsibilities, thereby promoting efficient cross-department communication and collaboration. It streamlined and optimised the departmental structure of its domestic branches and built an organisational structure system that ensures efficient alignment between the Head Office and branches. It deepened integrated Group-wide management and streamlined and standardised the departmental structure of its comprehensive operation companies and overseas institutions, providing organisational support for the Group's globalised and integrated development.

In 2025, with a focus on the Group's strategic objectives and performance goals, 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 2026 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, etc. It strengthened the construction of a globalised talent team, intensified the training and deployment of Head Office personnel, expatriates and local employees, thereby promoting the Group's global development and enhancing its international competitiveness.

As at the end of 2025, the Bank had 313,746 employees. There were 287,855 employees in the Chinese mainland, of which 274,487 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 25,891 employees in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. As at the end of 2025, the Bank bore costs for a total of 4,080 retirees.

Composition of Staff by Gender, 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	57.27%	57.65%	54.61%
Male	42.73%	42.35%	45.39%
Composition of Staff by Age Group			
Up to 30	24.36%	24.71%	21.86%
Between 31 and 40	34.77%	33.87%	41.07%
Between 41 and 50	20.66%	20.42%	22.40%
51 and above	20.21%	21.00%	14.67%
Composition of Staff by Education Level			
Master's degree and above	15.04%	13.41%	26.48%
Bachelor's degree	71.10%	73.15%	56.78%
Associate degree	11.37%	11.43%	10.92%
Other	2.49%	2.01%	5.82%

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	19.27%	Operation services and financial management	8.05%
Personal banking	18.93%	Risk and internal control management	8.79%
Financial markets	0.33%	Information technology	4.34%
Cross-marketing and teller	33.72%	Other	6.57%

Remuneration

The Bank's remuneration policy is in line with corporate governance requirements as well as its business development strategies, market positioning and talent competition strategies, and is revised from time to time in accordance with the management requirements of the relevant authorities. The Board of Directors has set up the Nomination and Remuneration Committee to review the Bank's human resources and remuneration strategies. An independent director serves as Chair 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 Nomination and Remuneration Committee. Based on the human resources and remuneration strategies determined by the Board of Directors, the Senior Management 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 their 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 its recourse and recovery mechanism in strict accordance with regulatory requirements and the above-mentioned rules, and reports the results of such implementation to the Board of Directors every year. In 2025, the Bank implemented this mechanism in relation to 4,630 employees, and recovered a total of RMB47.1782 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 the completion of each branch's comprehensive contribution goals, taking full consideration of risk factors so as to focus on risk-adjusted value creation and enhance long-term performance. Overall, the Bank accomplished its annual goals related to finance, risk and social responsibility. At the same time, it 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 continued to optimise its education and training system, making its training programmes more formal, standardised and scientific. It strengthened training related to employees' duty performance capabilities. With a focus on the nation's most fundamental interests and the Group's key objectives, 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 high-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, and consumer protection, etc., through online and offline channels. In 2025, employees at all levels of the Bank spent an average of 78.84 hours on education and training during the year.

KEY ACHIEVEMENTS DURING THE 14TH FIVE-YEAR PLAN PERIOD

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank fully upheld the political and people-oriented nature of financial work, and faithfully implemented the decisions and plans of the CPC Central Committee. While supporting national strategies and the real economy with all-out efforts, the Bank took concrete steps to advance high-quality development, achieving remarkable results and bringing its “14th Five-Year Plan” to a successful conclusion.

The Bank made steady improvements in operating performance. Its earnings resilience increased significantly. Operating income and profit for the year recorded positive growth for five consecutive years, increasing by RMB92.219 billion and RMB52.840 billion, up 16.25% and 25.76%, respectively, in 2025 as compared with 2020. The Bank’s income structure continued to improve. The proportion of non-interest income increased by approximately 6.48 percentage points to 33.21%, with the rate of increase outpacing major peers. Total assets and total liabilities increased by RMB13.96 trillion and RMB12.91 trillion, up 57.19% and 58.05%, respectively, from the end of 2020. The market competitiveness of its core businesses, such as domestic RMB deposits and loans, improved steadily.

The Bank provided strong and effective support for the real economy. It stepped up support for major national strategies, key areas and weak links, and made solid progress in advancing the “five major tasks”. As at the end of 2025, it had provided RMB4.82 trillion of technology loans to approximately 171,800 enterprises, with RMB890 billion worth of integrated financial services provided during the 14th Five-Year Plan period. Green loans increased by over RMB3 trillion as compared with the end of 2020, leading major peers. For five consecutive years, the Bank ranked first in the interbank market in terms of the underwriting volume of both domestic and overseas green bonds. The number of customers for inclusive loans to micro and small-sized enterprises increased by 3.9 times as compared to the end of 2020, while such loans expanded by 4.8 times. The Bank continuously optimised its pension finance service system, strengthening its competitiveness across the board in annuity trust management, account management and fund custody services. The number of enterprise annuity individual accounts and scale of annuities under custody ranked among the top in the market. Digital transformation gathered pace, with the Bank’s cumulative investment in financial technology during the 14th Five-Year Plan period exceeding RMB110 billion, and its share of operating income increasing year by year. Digital services continued to improve, with monthly active users of personal mobile banking growing by 73.93% as compared with the end of 2020 and global digital service channels being continuously enhanced.

The Bank consolidated and expanded its advantages in globalisation. The proportional contribution of overseas institutions to the Group's profit before income tax increased by 4.6 percentage points from the end of 2020, maintaining the first place among Chinese peers. The number of the Bank's overseas RMB clearing banks reached 16, further strengthening its market-leading advantages in international settlement, cross-border RMB business and foreign exchange settlement and sales. It also became the first Chinese global custodian bank, with a custody network covering over 100 countries and regions.

The Bank pursued solid and effective risk management. It further strengthened its risk mitigation capabilities and was among the first to complete the replenishment of RMB165 billion of common equity tier 1 capital, with the common equity tier 1 capital adequacy ratio reaching 12.53%, up by 1.25 percentage points as compared with the end of 2020. Major risk indicators remained stable and controllable, and the non-performing loan ratio decreased by 0.23 percentage points from 2020, remaining at a relatively low level.

Adhering to the principle of creating value for shareholders, the Bank attached great importance to shareholders' rights to returns, and made consistent efforts to improve shareholder returns. During the 14th Five-Year Plan period, the Bank distributed cash dividends seven times, with total payouts amounting to RMB367.555 billion and the payout ratio maintained at a relatively high level of 30%. It increased the frequency of dividend distributions by introducing interim dividend arrangements and optimising the dividend distribution timetable, enabling investors to share in the Bank's operating results as early as possible. The Bank also innovatively offered a currency option for dividend payments for H Shares, providing investors with greater flexibility in choosing their dividend currency along with convenient services.

OUTLOOK

The year 2026 marks the beginning of the 15th Five-Year Plan period, during which the banking industry will encounter both opportunities and challenges. From an international perspective, the evolving external environment is exerting a greater impact on China, geopolitical risks are rising, global economic momentum remains sluggish, major economies are exhibiting divergent performances, and the future trajectory of inflation and monetary policy adjustments is highly uncertain. Domestically, China's economy has a solid foundation, advantages in many areas, strong resilience and great potential, and the underlying conditions and fundamental trends sustaining China's long-term economic growth remain unchanged. Macro policies are expected to become more proactive and effective, promoting higher-quality economic growth while achieving an appropriate increase in economic output. This will provide the banking industry with broad scope for business development.

The Bank will steadfastly follow the path of financial development with Chinese characteristics, uphold the fundamental purpose of serving the real economy, and prioritise controlling risks. By focusing on its core businesses and taking proactive measures to consolidate its strengths as a financial institution, it will embark on a new journey of high-quality development and contribute to a strong start for the 15th Five-Year Plan.

The Bank will provide high-quality services for the real economy. The Bank will steadily advance the “five major tasks” of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, improve its product system to better match the needs of new quality productive forces, and enhance the quality and efficiency of financial services. It will intensify support for areas such as scientific and technological innovation, strategic emerging industries, medium to long-term loans for manufacturing and small and medium-sized enterprises. In line with the national strategy of expanding domestic demand, it will enhance the supply capacity of consumer finance products, and help unlock consumption potential. To support coordinated regional development, it will enhance financial support and strengthen financial services for key regions and distinctive economic clusters. In 2026, RMB loans to customers of the Bank's operations in the Chinese mainland are expected to grow by approximately 8%.

The Bank will enhance service quality. The Bank will continue to optimise the layout of its global service network, deepen its service mechanism of “accessing the Bank's global resources and services at any point of contact”, and strengthen support for “Going Global” Chinese enterprises and “Bringing In” overseas enterprises. It will enhance its capabilities for promoting RMB internationalisation, expand application scenarios for cross-border RMB settlement, Panda bonds, offshore bonds and other businesses, and improve the effectiveness of the CIPS. The Bank will also accelerate the coordinated development of its comprehensive operations, enhance the quality of professional services in the wealth management, fund management, securities, insurance and leasing sectors, and build an integrated and efficient service system that connects internal and external operations.

The Bank will improve governance efficiency. The Bank will accelerate the deep integration of financial technology with business scenarios, promote the application of new technologies such as smart contracts, blockchain and artificial intelligence in cross-border payments, wealth management and customer operations, and make its services more convenient and intelligent. It will optimise its customer information dashboards and business processes, enhance online service capabilities, and promote the intelligent and intensive operation. The Bank will continue to improve key projects such as payroll disbursement, cash management and social security cards to enhance the overall customer experience. It will implement regulatory guidance, standardise business development and foster a fair and transparent market environment.

The Bank will consolidate its development foundation. The Bank will refine its comprehensive risk management system and enhance its integrated risk control capabilities for credit risk, market risk and operational risk. It will strengthen risk monitoring and management in key industries and for large clients, in order to strictly control new non-performing loans and maintain asset quality. The Bank will continuously optimise its internal control and compliance mechanisms, improve management processes for anti-money laundering, anti-fraud and consumer rights protection, and reinforce compliance control in key areas. It will also enhance its capacity to respond to risks, ensuring the safe and stable operation of its financial services.

Sustainability Efforts

The Bank attaches great importance to sustainability-related work, continuously improves its sustainability governance mechanism and management system, and actively integrates the concept of sustainability into its development strategy, major decisions, operation management, and business development.

Continuously enhancing the efficiency and effectiveness of sustainability governance. The Bank has established and continuously improves its sustainability management framework, with the Board of Directors, Senior Management, and relevant Head Office departments serving as the decision-making, management, and execution levels respectively, to enhance the effective governance of the Bank's sustainability. During the reporting period, the Corporate Culture and Consumer Protection Committee under the Board of Directors was renamed the Sustainable Development and Consumer Protection Committee, further strengthening its functions in supervising and reviewing sustainability-related matters. Members of the Board of Directors actively engaged in special training sessions on ESG management and practices as well as climate and sustainability-related information disclosure for financial institutions, and conducted thematic research on consumer protection and sustainability information disclosure of commercial banks, thus continuously enhancing the performance capability and decision-making efficiency and effectiveness of the Board of Directors. The Senior Management is responsible for the overall coordination and advancement of the Bank's sustainability and ESG-related initiatives. To support the performance of such responsibilities, the Bank has established a number of special committees under the Senior Management, including the Technology Finance Committee, the Green Finance Committee, the Inclusive Finance Committee, the Pension Finance Committee, the Digital Finance Committee, and the Consumer Protection Committee, among others, to undertake routine management of relevant topics on sustainability.

Actively facilitating the green transition of the economy and society. The Bank is firmly committed to addressing the impacts of climate change. It continuously strengthens its environmental (climate) risk management capabilities and promotes green practices in its own operations, effectively fulfilling its role as a primary force in advancing the green transition of the real economy. As at the end of 2025, the Bank's outstanding green loans (calculated based on the PBOC's statistical standards) reached RMB4,961.455 billion, representing a year-on-year increase of 27.83% under the same statistical standards. It underwrote RMB428.8 billion of newly issued domestic green bonds. Having achieved carbon neutrality in a total of 856 target buildings, including the Head Office, BOCHK, as well as domestic branches, the Bank further developed its *2030 Green Operations Objectives*. It also conducted stress testing on physical climate risk and transition risk to enhance its climate risk response capabilities. In addition, the Bank contributed to the deeper international cooperation in green finance. It actively performed its duties in green and ESG-related initiatives and mechanisms, such as the United Nations Principles for Responsible Banking (PRB), and the Green Investment Principles (GIP) for the Belt and Road Initiative, and became the first Chinese financial institution to officially join the Taskforce on Nature-related Financial Disclosures (TNFD).

Resolutely fulfilling its mission of serving the people with financial services. The Bank has always aligned its development with national strategies, kept in mind the top priorities of the country and the concerns of the people, while continuously enhancing the quality and efficiency of its financial services. It improved the quality, and expanded the scale and coverage of inclusive finance, with the balance of inclusive loans granted to micro and small-sized enterprises increasing by RMB490.5 billion and the number of customers increasing by 341.8 thousand as compared with the beginning of 2025. It continued to carry out the “BOC Inclusive Finance • Inclusive Loan for Employment Promotion” campaign, under which special loans for employment stabilisation and expansion totalling RMB565.8 billion were granted to 114.9 thousand micro and small-sized enterprises, supporting the stabilisation and expansion of 3.9 million jobs. The Bank increased investment in channel development for county-level areas and key counties receiving pairing assistance under the rural revitalisation initiative, and expanded its outlets into 21 previously unserved counties during the reporting period. To better serve pension assets, elderly customer groups and the pension industry, the Bank launched the “BOC Pension Finance” brand, implemented elderly-friendly service standards across all of its customer-facing outlets, and optimised its mobile banking application for elderly users. For 26 consecutive years, the Bank has provided national student loan services, with cumulative national student loans granted amounting to RMB31.1 billion. It effectively safeguarded the rights and interests of financial consumers and continued to strengthen its financial education and publicity efforts, carrying out over 268,000 financial education and publicity activities. In addition, the Bank actively participated in public welfare undertakings. During the reporting period, actively engaging in public welfare initiatives, the Bank focused on key areas such as rural revitalisation, education empowerment, emergency disaster relief, and community care. Throughout the year, it implemented more than 300 public welfare donation projects, invested approximately RMB138 million in donations, and over 60,400 young volunteers contributed a total of more than 65,600 service hours.

The Bank’s sustainability practices have been highly recognised by all sectors of society. In 2025, the Bank was named “China’s Best Bank for ESG” by *Euromoney*, listed among the “Corporate Social Responsibility Cases” by *People.cn*, and included in the constituent stocks of the Hang Seng Corporate Sustainability Index Series.

For further details on the Bank’s sustainability practices, please refer to the *2025 Sustainability Report of Bank of China Limited*.

Changes in Shares and Shareholdings of Shareholders

Ordinary Shares

Changes in Ordinary Shares

Unit: Share

	As at 1 January 2025		Increase/decrease during the reporting period					As at 31 December 2025	
	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	-	-	27,824,620,573	-	-	-	27,824,620,573	27,824,620,573	8.64%
1. Shares held by the State	-	-	27,824,620,573	-	-	-	27,824,620,573	27,824,620,573	8.64%
2. Shares held by state-owned legal persons	-	-	-	-	-	-	-	-	-
3. Shares held by other domestic capital	-	-	-	-	-	-	-	-	-
4. Shares held by foreign capital	-	-	-	-	-	-	-	-	-
II. Shares not subject to selling restrictions	294,387,791,241	100.00%	-	-	-	-	-	294,387,791,241	91.36%
1. RMB-denominated ordinary shares	210,765,514,846	71.59%	-	-	-	-	-	210,765,514,846	65.41%
2. Overseas-listed foreign shares	83,622,276,395	28.41%	-	-	-	-	-	83,622,276,395	25.95%
III. Total ordinary shares	294,387,791,241	100.00%	27,824,620,573	-	-	-	27,824,620,573	322,212,411,814	100.00%

Notes:

- As at 31 December 2025, the Bank had issued a total of 322,212,411,814 ordinary shares, including 238,590,135,419 A Shares and 83,622,276,395 H Shares.
- As at 31 December 2025, 27,824,620,573 A Shares of the Bank were subject to selling restrictions, while the rest of the Bank's A Shares and all H Shares were not subject to selling restrictions.

Offering of A Shares to Specified Investors

To strengthen its capital base and optimise its capital structure, the Bank, following approvals of its Shareholders' Meeting, the NFRA, and the SSE, as well as the registration approval of the CSRC, completed the offering of 27,824,620,573 A Shares (with a par value of RMB1.00 per share) to the specified investor, the MOF. The closing price of the A Shares of the Bank on the last trading day immediately before signing the share subscription agreements (i.e. 28 March 2025) was RMB5.50 per share. The issue price was RMB5.93 per share, with total proceeds amounting to RMB165,000,000,000.00. After deducting issuance costs, the net proceeds were RMB164,952,658,061.90, and net proceeds per share were approximately RMB5.93. As at 31 December 2025, the net proceeds have been fully used to increase the Bank's common equity tier 1 capital.

Upon completion of this offering, the Bank's total ordinary shares amounted to 322,212,411,814 shares, including 238,590,135,419 A Shares and 83,622,276,395 H Shares. The MOF made a strategic investment in the Bank by subscribing to the offering and has become one of the top ten shareholders.

The Bank engaged BOC International (China) Co., Ltd. and CITIC Securities Company Limited as joint sponsors of the offering of A Shares to specified investors. For details of this offering, please refer to the announcements published by the Bank on the websites of the SSE, the HKEX and the Bank on 13 June 2025 and 18 June 2025.

Impact of Changes in Ordinary Shares on Basic Earnings per Share and Other Financial Indicators for the Most Recent Year and the Most Recent Reporting Period

The Bank's offering of A Shares to specified investors in June 2025 has led to an increase in the total share capital and net assets, resulting in a dilutive effect on earnings per share and net assets per share. The Bank's basic earnings per share from January to December 2025 was RMB0.74, and the net assets per share attributable to ordinary shareholders as of the end of 2025 was RMB8.36. The Bank's basic earnings per share for 2024 was RMB0.75, and the net assets per share attributable to ordinary shareholders as of the end of 2024 was RMB8.18.

Date of Listing and Trading of Shares Subject to Selling Restrictions

Unit: Share

Date	Number of shares allowed to be tradable at the maturity of lock-up period	Remaining shares subject to selling restrictions	Remaining shares not subject to selling restrictions	Remarks
17 June 2030	27,824,620,573	–	322,212,411,814	All newly tradable shares at the maturity of lock-up period are held by the MOF

Number of Ordinary Shareholders and Particulars of Shareholding

The number of ordinary shareholders as at 31 December 2025 was 641,594, including 483,689 holders of A Shares and 157,905 holders of H Shares.

The number of ordinary shareholders as at the end of the last month before the disclosure of this report was 708,240, including 551,386 holders of A Shares and 156,854 holders of H Shares.

The shareholdings of the top ten ordinary shareholders as at 31 December 2025 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	58.59%	-	None	State	A
2	HKSCC Nominees Limited	74,993,720	81,856,393,518	25.40%	-	Unknown	Foreign legal person	H
3	MOF	27,824,620,573	27,824,620,573	8.64%	27,824,620,573	None	State	A
4	China Securities Finance Corporation Limited	-	7,941,164,885	2.46%	-	None	State-owned legal person	A
5	Central Huijin Asset Management Ltd.	-	1,810,024,500	0.56%	-	None	State-owned legal person	A
6	HKSCC Limited	(542,798,296)	890,958,087	0.28%	-	None	Foreign legal person	A
7	MUFG Bank, Ltd.	-	520,357,200	0.16%	-	Unknown	Foreign legal person	H
8	Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds	(130,391,743)	264,740,302	0.08%	-	None	Other	A
9	Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 Exchange Traded Open-End Index Securities Investment Funds	(127,481,490)	236,382,455	0.07%	-	None	Other	A
10	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	130,044,357	173,015,094	0.05%	-	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 2025.
2. As at 31 December 2025, with the approvals of the regulatory authorities, CITIC Financial AMC held 10,495,701,000 H Shares of the Bank through an agreement-based arrangement and increased its holdings of H Shares of the Bank via southbound trading under the Shanghai-Hong Kong Stock Connect. The aforementioned shares were registered in the name of HKSCC Nominees Limited. For details of the holdings of the Bank's H Shares by CITIC Financial AMC, please refer to the "Interests and Short Positions Held by Substantial Shareholders and Other Persons" section of this report. For details regarding CITIC Financial AMC's own circumstances, please refer to the "Information on Substantial Shareholders" section of this report and its official website. As at the end of the reporting period, CITIC Financial AMC 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 the Shanghai-Hong Kong Stock Connect.
4. Huijin holds 100% of the equity of Central Huijin Asset Management Ltd. and 66.70% of the equity of China Securities Finance Corporation Limited. 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 top ten ordinary shareholders.
5. Except for holders of H Shares whose participation in margin trading, short-selling or refinancing business is unknown to the Bank, none of the Bank's top ten ordinary shareholders as at 31 December 2025 had participated in such businesses.
6. Unless otherwise specified, the statistics above are sourced from the Bank's register of members as at 31 December 2025.

The shareholdings of the top ten ordinary shareholders not subject to selling restrictions as at 31 December 2025 are set forth below:

Unit: Share

Name of shareholder	Number of shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
Huijin	188,791,906,533	A	188,791,906,533
HKSCC Nominees Limited	81,856,393,518	H	81,856,393,518
China Securities Finance Corporation Limited	7,941,164,885	A	7,941,164,885
Central Huijin Asset Management Ltd.	1,810,024,500	A	1,810,024,500
HKSCC Limited	890,958,087	A	890,958,087
MUFG Bank, Ltd.	520,357,200	H	520,357,200
Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds	264,740,302	A	264,740,302
Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 Exchange Traded Open-End Index Securities Investment Funds	236,382,455	A	236,382,455
China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	173,015,094	A	173,015,094
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Seed Securities Investment Fund	168,642,205	A	168,642,205

The shareholdings of the top ten ordinary shareholders subject to selling restrictions as at 31 December 2025 and the details of the selling restrictions are set forth below:

Unit: Share

Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Information of tradable shares subject to selling restrictions		Selling restrictions
		Time for trading	Number of new shares available for trading	
MOF	27,824,620,573	17 June 2030	–	Five years from the date of equity acquisition from the Bank's offering of shares to specified investors in 2025

As at 31 December 2025, there were no changes in the Bank's top ten shareholders or top ten shareholders not subject to selling restrictions, as compared to the previous regular report.

Information on Substantial Shareholders

Substantial Shareholders Holding 5% or More of the Bank's Shares

Huijin

Huijin is the controlling shareholder of the Bank.

Central Huijin Investment Ltd. 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 2025, the 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 ★ ☆	58.59%
5	China Construction Bank Corporation ★ ☆	54.61%
6	China Everbright Group Ltd.	63.16%
7	China Export & Credit Insurance Corporation	73.63%
8	China Reinsurance (Group) Corporation ☆	71.56%
9	China Jiayin 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	China Great Wall Asset Management Co., Ltd.	94.34%
16	China Orient Asset Management Co., Ltd.	71.55%
17	China Cinda Asset Management Co., Ltd. ☆	58.00%
18	China Agricultural Reinsurance Co., Ltd.	55.90%
19	China Securities Finance Corporation Limited	66.70%
20	China Gold Coin Group Co., Ltd.	100.00%
21	Huida Asset Management Co., Ltd.	100.00%
22	Evergrowing Bank Co., Limited	40.46%
23	Bank of Hunan Corporation Limited	17.71%
24	China Securities Co., Ltd. ★ ☆	30.76%
25	China Galaxy Asset Management Co., Ltd.	12.66%
26	Guotai Junan Investment Management Co., Ltd.	14.54%

Notes:

- ★ denotes A Share listed company and ☆ denotes H Share listed company.
- 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 2025, no other legal-person shareholder held 10% or more voting shares of the Bank (excluding HKSCC Nominees Limited).

MOF

Established in October 1949, the Ministry of Finance of the People's Republic of China is a constituent department of the State Council, and the macro regulatory authority responsible for managing China's fiscal revenues and expenditures, tax policies, and related matters.

Other Substantial Shareholders under Regulatory Standards

CITIC Financial AMC

China CITIC Financial Asset Management Co., Ltd. was founded on 1 November 1999. Its main businesses include non-performing asset operation, asset management, and investment. For more information, please refer to its official website at www.famc.citic.

Nominations of Directors by Shareholders

The Bank's incumbent Non-executive Directors Mr. ZHANG Yong, Mr. HUANG Binghua, Mr. LIU Hui, Mr. SHI Yongyan and Ms. LOU Xiaohui were recommended by the Bank's shareholder Huijin, Mr. LI Zimin was recommended by the Bank's shareholder CITIC Financial AMC.

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 2025, 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	79.13%	–	58.59%
	Interest of controlled corporations	9,751,189,385	A	4.09%	–	3.03%
	Total	198,543,095,918	A	83.22%	–	61.62%
MOF	Beneficial owner	27,824,620,573	A	11.66%	–	8.64%
BlackRock, Inc.	Interest of controlled corporations	5,008,847,294	H	–	5.99%	1.55%
		17,369,000 (S)	H	–	0.02%	0.01%
CITIC Financial AMC	Beneficial owner	15,888,513,000	H	–	19.00%	4.93%
CITIC Securities Company Limited	Beneficial owner	16,966,048	H	–	0.02%	0.01%
		771,000 (S)	H	–	0.001%	0.0002%
	Investment manager	6,414,431,000	H	–	7.67%	1.99%
	Interest of controlled corporations	35,003,000	H	–	0.04%	0.01%
	Total	6,466,400,048	H	–	7.73%	2.01%
		771,000 (S)	H	–	0.001%	0.0002%
CITIC Securities Asset Management Company Limited	Trustee	5,890,062,000	H	–	7.04%	1.83%
CITIC Securities Asset Management – No.3 Single Asset Management Scheme	Other	5,909,466,000	H	–	7.07%	1.83%

Notes:

1. BlackRock, Inc. held a long position of 5,008,847,294 H Shares and a short position of 17,369,000 H Shares of the Bank through BlackRock Finance, Inc. and other corporations controlled by it. In the long position of 5,008,847,294 H Shares, 116,627,000 H Shares were held through derivatives. In the short position of 17,369,000 H Shares, 14,997,000 H Shares were held through derivatives.
2. CITIC Financial AMC, as a beneficial owner, held a long position of 15,888,513,000 H Shares of the Bank.
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 6,466,400,048 H Shares and a short position of 771,000 H Shares of the Bank. In the long position of 6,466,400,048 H Shares, 1,000 H Shares were held through derivatives. The entire short position of 771,000 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. CITIC Financial AMC 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 2025, 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.

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 2025.

Number of Preference Shareholders and Particulars of Shareholding

The number of preference shareholders as at 31 December 2025 was 108, and all of them were domestic preference shareholders.

The number of preference shareholders as at the end of the last month before the disclosure of this report was 108, and all of them were domestic preference shareholders.

The top ten preference shareholders as at 31 December 2025 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	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund	–	73,383,300	7.34%	None	Other	Domestic Preference Shares
2	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	–	70,000,000	7.00%	None	Other	Domestic Preference Shares
3	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.1 Securities Investment Collective Capital Trust Fund	220,000	59,300,000	5.93%	None	Other	Domestic Preference Shares
4	Jiangsu International Trust Corporation Limited – JSITC – Multi-Strategy Youxuan No.2 Collective Capital Trust Fund	–	56,000,000	5.60%	None	Other	Domestic Preference Shares
5	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.10 Securities Investment Collective Capital Trust Fund	–	42,460,000	4.25%	None	Other	Domestic Preference Shares
6	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund	–	34,358,700	3.44%	None	Other	Domestic Preference Shares
7	CCB Trust Co., Ltd. – CCB Trust – Anxin Strategy No.1 Collective Capital Trust Fund	–	33,000,000	3.30%	None	Other	Domestic Preference Shares
8	Ping An Life Insurance Company of China – Universal – Individual Universal Insurance	–	30,000,000	3.00%	None	Other	Domestic Preference Shares
8	Shanghai Tobacco Group Co., Ltd.	–	30,000,000	3.00%	None	State-owned legal person	Domestic Preference Shares
10	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.31 Collective Capital Trust Fund	–	28,000,000	2.80%	None	Other	Domestic Preference Shares

Notes:

1. China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund, China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund, and China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.31 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.
2. As at 31 December 2025, China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH was one of the top ten ordinary shareholders and top ten preference shareholders of the Bank.
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 during the reporting period, please refer to the section “Report of the Board of Directors”.

Exercising Redemption Rights of Preference Shares

With the approvals of the NFRA, the Bank redeemed all 197,865,300 Offshore Preference Shares (Second Tranche) on 4 March 2025. The Bank paid in full the nominal value of the Offshore Preference Shares and the dividends declared but not yet distributed, totalling USD2,921,520,000. For details, please refer to the announcements published by the Bank on the websites of the SSE, the 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 preference shares have been fully used to replenish the Bank’s additional tier 1 capital and increase its capital adequacy ratio.

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 and Senior Management Members

Basic Information

Incumbent Directors and Senior Management Members

Incumbent Directors				
Name	Year of birth	Gender	Position	Term of office as Director
GE Haijiao	1971	Male	Chairman and Executive Director	From April 2023 to April 2026
ZHANG Hui	1972	Male	Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer	From January 2025 to January 2028
LIU Jin	1976	Male	Executive Director	From June 2025 to June 2028
CAI Zhao	1973	Male	Executive Director and Executive Vice President	From December 2025 to December 2028
ZHANG Yong	1968	Male	Non-executive Director	From June 2023 to June 2026
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
Jean-Louis EKRA	1951	Male	Independent Director	From May 2022 to May 2028
Giovanni TRIA	1948	Male	Independent Director	From July 2022 to July 2028
LIU Xiaolei	1974	Female	Independent Director	From March 2024 to March 2027
ZHANG Ran	1977	Female	Independent Director	From April 2025 to April 2028
KO Margaret	1952	Female	Independent Director	From August 2025 to July 2028
WOO Chin Wan Raymond	1954	Male	Independent Director	From November 2025 to November 2028

Incumbent Senior Management Members				
Name	Year of birth	Gender	Position	Term of office as Senior Management member
ZHANG Hui	1972	Male	Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer	President from December 2024; concurrently, Chief Compliance Officer from February 2026
CAI Zhao	1973	Male	Executive Director and Executive Vice President	From September 2023
WU Jian	1970	Male	Executive Vice President	From February 2025
YANG Jun	1972	Male	Executive Vice President	From August 2025
LIU Chenggang	1972	Male	Executive Vice President and concurrently Secretary to the Board of Directors and Company Secretary	Executive Vice President from October 2025; concurrently, Secretary to the Board of Directors and Company Secretary from December 2025
HUANG Xueling	1977	Female	Executive Vice President	From March 2026

Notes:

1. During the reporting period, no incumbent director or Senior Management member held any share of the Bank.
2. Please refer to the above table for the term of office of Mr. LIU Jin as Director of the Bank. Mr. LIU Jin served as former Executive Vice President of the Bank from April 2024 to April 2025.

Former Directors and Senior Management Members

Name	Year of birth	Gender	Position held before leaving post	Term of office
ZHANG Jiangang	1973	Male	Non-executive Director	From July 2019 to June 2025
Martin Cheung Kong LIAO	1957	Male	Independent Director	From September 2019 to July 2025
CHUI Sai Peng Jose	1960	Male	Independent Director	From September 2020 to June 2025
ZHANG Xiaodong	1972	Male	Executive Vice President	From March 2023 to June 2025
ZHAO Rong	1971	Female	Chief Risk Officer	From October 2024 to January 2026
ZHUO Chengwen	1970	Male	Secretary to the Board of Directors and Company Secretary	From March 2024 to October 2025
MENG Qian	1965	Female	Chief Information Officer	From May 2022 to June 2025

Notes:

1. No former director 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 Ms. ZHAO Rong as former Chief Risk Officer of the Bank. Ms. ZHAO Rong served as former Chief Business and Management Officer of the Bank from December 2022 to September 2024.
3. Please refer to the above table for the term of office of Mr. ZHUO Chengwen as former Secretary to the Board of Directors and Company Secretary of the Bank. Mr. ZHUO Chengwen served as former Chief Audit Officer of the Bank from May 2021 to March 2024.
4. For details of the basic information, changes, duty performance and other relevant matters of other former directors and Senior Management members of the Bank, please refer to the Bank's 2024 Annual Report and relevant announcements.

Remuneration of Directors and Senior Management Members Paid in 2025

Name	Position	Remuneration before tax from the Bank in 2025 (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 and Senior Management Members						
GE Haijiao	Chairman and Executive Director	68.60	24.25	-	92.85	No
ZHANG Hui	Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer	68.60	24.25	-	92.85	No
LIU Jin	Executive Director	56.60	21.55	-	78.15	No
CAI Zhao	Executive Director and Executive Vice President	61.74	23.49	-	85.23	No
ZHANG Yong	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	-	-	-	-	Yes
Jean-Louis EKRA	Independent Director	45.00	-	-	45.00	Yes
Giovanni TRIA	Independent Director	40.00	-	-	40.00	Yes
LIU Xiaolei	Independent Director	55.00	-	-	55.00	Yes
ZHANG Ran	Independent Director	26.06	-	-	26.06	Yes
KO Margaret	Independent Director	18.75	-	-	18.75	Yes
WOO Chin Wan Raymond	Independent Director	6.00	-	-	6.00	Yes
WU Jian	Executive Vice President	56.60	21.56	-	78.16	No
YANG Jun	Executive Vice President	25.73	9.88	-	35.61	No
LIU Chenggang	Executive Vice President and concurrently Secretary to the Board of Directors and Company Secretary	15.44	5.93	-	21.37	No
HUANG Xueling	Executive Vice President	-	-	-	-	-

Name	Position	Remuneration before tax from the Bank in 2025 (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 and Senior Management Members						
ZHANG Jiangang	Non-executive Director	-	-	-	-	Yes
Martin Cheung Kong LIAO	Independent Director	26.25	-	-	26.25	Yes
CHUI Sai Peng Jose	Independent Director	24.86	-	-	24.86	Yes
ZHANG Xiaodong	Executive Vice President	25.73	9.71	-	35.44	No
ZHAO Rong	Chief Risk Officer	58.31	26.45	-	84.76	No
ZHUO Chengwen	Secretary to the Board of Directors and Company Secretary	48.59	22.09	-	70.68	No
MENG Qian	Chief Information Officer	29.16	13.35	-	42.51	No

Notes:

1. In accordance with the government regulations, since 1 January 2015, the Bank remunerates Chairman of the Board of Directors, President, and Executive Vice Presidents pursuant to the rules on remuneration reform for central enterprises.
2. The 2025 final remuneration for Chairman of the Board of Directors, President, 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 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. Independent directors receive directors' remunerations and allowances. Other directors are not remunerated by the Bank. 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.
5. The above persons' remuneration is calculated on the basis of their actual time working as directors or Senior Management members of the Bank in 2025.
6. In 2025, Non-executive Directors Mr. ZHANG Yong, Mr. HUANG Binghua, Mr. LIU Hui, Mr. SHI Yongyan, Ms. LOU Xiaohui, Mr. LI Zimin and Mr. ZHANG Jiangang were not remunerated by the Bank.

7. 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 or Senior Management members of the Bank was remunerated by the connected parties of the Bank during the reporting period.
8. For the starting time of the term of office of the above-mentioned directors and Senior Management members, please refer to the section “Basic Information”.
9. The Bank incurred RMB9.5953 million in remuneration to its directors and Senior Management members’ services in 2025.

Positions Held in Shareholding Companies by Directors and Senior Management Members

Save as disclosed in this report, in 2025, none of the Bank’s directors or Senior Management members held any position in the shareholding companies of the Bank.

Biographies of Directors and Senior Management Members

Directors

GE Haijiao

Chairman and Executive Director

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 graduated and 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, and a Master’s Degree in Economics from the Department of Economics of Jilin University in 1999, major in World Economics. He obtained 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, Executive Director, President, and concurrently Chief Compliance Officer**

Vice Chairman of the Board of Directors and Executive Director of the Bank since January 2025, President of the Bank since December 2024, and concurrently Vice Chairman of the Board of Directors of BOC Hong Kong (Holdings) Limited since February 2025, and Chief Compliance Officer of the Bank since February 2026. 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.

LIU Jin**Executive Director**

Executive Director of the Bank since June 2025, and Executive Vice President of the Bank from April 2024 to April 2025. Mr. LIU joined the Bank in 2024. He 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 obtained a Master's Degree of Economics from Xiamen University in 2000. He holds the qualification of Senior Economist.

CAI Zhao**Executive Director, Executive Vice President**

Executive Director of the Bank since December 2025, Executive Vice President of the Bank since September 2023, and concurrently Non-executive Director of the Board of Directors of BOC Hong Kong (Holdings) Limited since August 2025. 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 and 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 obtained a Master’s Degree of Engineering from Sichuan University in 2003. He holds the qualification of Senior Engineer.

ZHANG Yong**Non-executive Director**

Non-executive Director of the Bank since June 2023. From January 2019 to May 2023, Mr. ZHANG served as Non-executive Director of China Development Bank. From September 2017 to February 2020, 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 qualification 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, Mr. SHI 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 concurrently 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, he 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 CITIC Financial AMC since January 2023 and the president of CITIC Financial AMC since October 2022, and served as the deputy secretary of the party committee of CITIC Financial AMC since September 2022. He has been a director of 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.

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 three 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 as an independent director of PetroChina Company Limited and COFCO Capital Holdings 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. In recent years, she has been consecutively included in the "Highly Cited Chinese Researchers" list published by Elsevier, and her work has received numerous national and international awards.

ZHANG Ran
Independent Director

Independent Director of the Bank since April 2025. Since October 2019, Ms. ZHANG has been a Professor and Doctoral Advisor in the Accounting Department in the School of Business at Renmin University of China. From June 2006 to October 2019, she held the position of Assistant Professor and subsequently Associate Professor at Guanghua School of Management, Peking University. She has served as an Independent Director of Tsingtao Brewery Co., Ltd. since June 2021, an Independent Director of Novogene Co., Ltd. since June 2019 to June 2022, an Independent Director of Sino Geophysical Co., Ltd. since November 2018 to January 2025, and an Independent Director and Chairman of the Audit Committee of BYD Co., Ltd. from September 2014 to September 2020. In 1999 and 2002, she obtained a Bachelor's Degree in Economics and a Master's Degree in Management from Beijing Jiaotong University. In 2006, she was awarded a PhD from the University of Colorado in the United States. Ms. ZHANG was awarded the "Highly Cited Chinese Researchers" by Elsevier from 2020 to 2025. She is also a member of the "National Leading Accounting Talents Program" and a member of the Enterprise Accounting Standards Advisory Committee of the Ministry of Finance. Ms. ZHANG's research area include quantamental investing and private equity investing.

KO Margaret
Independent Director

Also known as LEUNG KO May Yee Margaret. Independent Director of the Bank since August 2025. She currently serves as an independent non-executive director of China Mobile Limited, First Pacific Company Limited, and Sun Hung Kai Properties Limited. In addition, she holds positions as a member of the Executive Council of the Government of the Hong Kong Special Administrative Region, a Council member and Treasurer of the University of Hong Kong, a member of the Advisory Council of the Business School of the Hong Kong University of Science and Technology, chairperson of the Advisory Committee on Arts Development, a member of the Culture Commission, and a member of the Law Reform Commission. She was appointed as a consultant of The Glorious Sun Holdings Limited in January 2026. Ms. KO Margaret joined HSBC in 1978. From August 2005 to March 2009, she served as General Manager and Global Co-Head of Commercial Banking at HSBC Group, director of The Hong Kong and Shanghai Banking Corporation Limited, and director of Wells Fargo HSBC Trade Bank. From March 2008 to June 2012, she was an independent non-executive director of Swire Pacific Limited. From March 2009 to June 2012, she served as vice chairman and chief executive of Hang Seng Bank Limited and as a non-executive director of HSBC. From May 2009 to September 2012, she was an independent non-executive director of Hutchison Whampoa Limited. From April 2013 to April 2019, she served as an independent non-executive director of Hong Kong Exchanges and Clearing Limited. From April 2013 to May 2020, she was an independent non-executive director of Li & Fung Limited. From December 2013 to June 2016, she served as an independent non-executive director of China Construction Bank Corporation. From February 2014 to February 2018, she was the vice chairman and chief executive of Chong Hing Bank Limited. From July 2019 to October 2025, she served as an independent non-executive director of Agricultural Bank of China. Ms. KO Margaret served as a member of the 12th and 13th National Committee of the Chinese People's Political Consultative Conference. In 1975, she obtained a Bachelor of Economics, Accounting, and Business Administration degree from the University of Hong Kong. In 2004, she completed the Advanced Management Programme in INSEAD in France. In 2009, she was appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region, and in 2012, she was awarded the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

WOO Chin Wan Raymond
Independent Director

Independent Director of the Bank since November 2025. Since February 2019, he has been serving as an independent non-executive director of Lenovo Group Limited. From November 2017 to October 2023, he was an independent non-executive director of Bank of Communications Co., Ltd. From November 2016 to November 2018, he served as an independent non-executive director of Great Wall Pan Asia Holdings Limited. Additionally, from July 2016 to January 2020, he was an independent non-executive director of Dah Chong Hong Holdings Limited. From June 1985 to June 2015, Mr. WOO held various positions, including director and general manager of Ernst & Young Hua Ming LLP, a member of the EY Greater China Leadership Team, and managing partner of Ernst & Young's Greater China Operations. He has extensive experience in auditing, corporate restructuring, and risk management. Mr. WOO is a Certified Public Accountant in Hong Kong. He obtained a Bachelor of Commerce degree from the University of Toronto, Canada, in 1979 and a Master of Business Administration degree from York University, Canada, in 1982.

Senior Management Members

ZHANG Hui

Vice Chairman, Executive Director, President, and concurrently Chief Compliance Officer

Please refer to the section “Directors”

CAI Zhao

Executive Director, Executive Vice President

Please refer to the section “Directors”

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.

YANG Jun

Executive Vice President

Executive Vice President of the Bank since August 2025. Mr. YANG joined the Bank in 2025. Previously, he worked at China Construction Bank (CCB) for many years. From December 2024 to June 2025, he served as General Manager of the Group Assets Management Department (Pension Finance Department) of CCB. From December 2020 to July 2024, he served as General Manager of CCB Shandong Branch. From June 2018 to September 2020, he served as General Manager of the Risk Management Department of CCB. Prior to that, he held a number of positions at CCB, including Assistant General Manager of the Risk Monitoring Department and the Risk Management Department, Deputy General Manager of the Risk Management Department and Deputy General Manager and General Manager of the Market Risk Management Department concurrently, and Deputy General Manager of CCB Hubei Branch. He graduated and obtained a Master’s Degree in Engineering in 1996 and a Doctor’s Degree in Management in 2003 from Tsinghua University. He holds the title of Senior Economist.

LIU Chenggang**Executive Vice President, concurrently Secretary to the Board of Directors and Company Secretary**

Executive Vice President of the Bank, concurrently President of Shanghai RMB Trading Unit since October 2025, and concurrently Secretary to the Board of Directors and the Company Secretary of the Bank since December 2025. Mr. LIU joined the Bank in 1994. From April 2024 to August 2025, he served as Vice President of BOC Hong Kong (Holdings) Limited. From March 2022 to August 2025, he served as Chief Financial Officer of BOC Hong Kong (Holdings) Limited. From October 2018 to January 2022, he served as General Manager of the Equity Investment and Subsidiary Management Department of the Bank. From January 2017 to October 2018, he served as General Manager of the Financial Management Department of the Bank. From November 2015 to January 2017, he served as General Manager of the Treasury of the Bank. Before that, he held a number of positions at the Bank, including Assistant General Manager and Chief Officer of the Financial Markets Department, Deputy General Manager (presiding over daily work) of the Treasury. Mr. LIU graduated and obtained a Bachelor's Degree in Economics in 1994 from Renmin University of China, and a Master's Degree in Economics in 1999 from Research Institute of the People's Bank of China. He obtained a Master's Degree in Applied Finance in 2003 from Macquarie University. He holds the qualification of Senior Accountant and is a CFA charterholder.

HUANG Xueling**Executive Vice President**

Executive Vice President of the Bank since March 2026. Ms. HUANG joined the Bank in 2026. From July 2025 to February 2026, she served as Head of Equity Management Department II of Central Huijin Investment Ltd. From April 2020 to July 2025, she served as Head of Capital Operation Department of Central Huijin Investment Ltd, during which she concurrently served as Chair of the Board and General Manager of Central Huijin Asset Management Ltd. Previously, she served as Deputy Head of Comprehensive Management Department of Central Huijin Investment Ltd., Executive Director of Central Huijin Asset Management Ltd., Director of China Export & Credit Insurance Corporation, and Head of Reform and Plan Division of Comprehensive Management Department and Banking Institutions Department II of Central Huijin Investment Ltd. She obtained a Master's Degree in Economics from Peking University.

Changes in Directors and Senior Management Members

Changes in the Bank's directors were as follows:

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.

Ms. ZHANG Ran began to serve as Independent Director, member of the Audit Committee, member of the Risk Policy Committee, and member of the Nomination and Remuneration Committee of the Board of Directors of the Bank as of 3 April 2025.

Ms. LOU Xiaohui began to serve as member of the Audit Committee of the Board of Directors of the Bank as of 3 April 2025. Ms. LOU Xiaohui began to serve as Vice Chair of the Audit Committee of the Board of Directors of the Bank as of 29 August 2025.

Mr. LIU Jin began to serve as Executive Director, member of the Strategic Development Committee, and member of the Sustainable Development and Consumer Protection Committee of the Board of Directors of the Bank as of 3 June 2025.

Mr. ZHANG Jiangang ceased to serve as Non-executive Director, member of the Strategic Development Committee, and member of the Audit Committee of the Board of Directors of the Bank as of 30 June 2025 due to the expiry of his term of office.

Mr. CHUI Sai Peng Jose ceased to serve as Independent Director, Chair and member of the Nomination and Remuneration Committee, member of the Sustainable Development and Consumer Protection Committee, member of the Risk Policy Committee, and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 30 June 2025 due to the expiry of his term of office.

Mr. Martin Cheung Kong LIAO ceased to serve as Independent Director, Chair and member of the Connected Transactions Control Committee, member of the Strategic Development Committee, member of the Audit Committee, and member of the Nomination and Remuneration Committee of the Board of Directors of the Bank as of 1 August 2025 due to the expiry of his term of office.

Ms. KO Margaret began to serve as Independent Director, Chair and member of the Nomination and Remuneration Committee, member of the Risk Policy Committee, and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 1 August 2025.

Mr. WOO Chin Wan Raymond began to serve as Independent Director, Chair and member of the Connected Transactions Control Committee, member of the Audit Committee, and member of the Nomination and Remuneration Committee of the Board of Directors of the Bank as of 7 November 2025.

Mr. CAI Zhao began to serve as Executive Director, member of the Strategic Development Committee, and member of the Risk Policy Committee of the Board of Directors of the Bank as of 3 December 2025.

Newly appointed Directors Mr. LIU Jin, Mr. CAI Zhao, Ms. ZHANG Ran, Ms. KO Margaret, and Mr. WOO Chin Wan Raymond obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 14 March 2025, 1 September 2025, 26 December 2024, 1 August 2025, and 7 November 2025, respectively, and confirmed their understanding of their obligations as directors of the Bank. For details of the obtaining of legal advice by other directors, please refer to the Bank's previous annual reports.

Changes in the Bank's Senior Management members were as follows:

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

Mr. LIU Jin ceased to serve as Executive Vice President of the Bank as of 29 April 2025 due to position change.

Mr. ZHANG Xiaodong ceased to serve as Executive Vice President of the Bank as of 16 June 2025 due to job change.

Ms. MENG Qian ceased to serve as Chief Information Officer of the Bank as of 30 June 2025 due to reason of age.

Mr. YANG Jun began to serve as Executive Vice President of the Bank as of 14 August 2025.

Mr. LIU Chenggang began to serve as Executive Vice President of the Bank as of 24 October 2025. Mr. LIU Chenggang began to concurrently serve as Secretary to the Board of Directors and Company Secretary of the Bank as of 3 December 2025.

Mr. ZHUO Chengwen ceased to serve as Secretary to the Board of Directors and Company Secretary of the Bank as of 30 October 2025 due to job change.

Ms. ZHAO Rong ceased to serve as Chief Risk Officer of the Bank as of 6 January 2026 due to job change.

Mr. ZHANG Hui began to concurrently serve as Chief Compliance Officer of the Bank as of 13 February 2026.

Ms. HUANG Xueling began to serve as Executive Vice President of the Bank as of 27 March 2026.

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. The Bank constantly strives to improve its corporate governance framework, which mainly comprises the Shareholders' Meeting, the Board of Directors, and the Senior Management. Characterised by a clear division of duties, this framework operates efficiently, orderly and smoothly, contributing to the continuous enhancement of the Bank's corporate governance capabilities.

First, relentlessly improving corporate governance systems and mechanisms. The Bank persistently followed up and fully implemented regulatory requirements, while accelerating efforts to develop its corporate governance system. During the reporting period, it comprehensively re-examined and revised major corporate governance policies such as the Articles of Association and the rules of procedure of the Shareholders' Meeting, the Board of Directors and its special committees. These efforts laid the institutional foundation for promoting corporate governance structure reform and ensuring that all corporate governance entities fulfilled their roles and responsibilities.

Second, actively optimising corporate governance operating mechanisms. The Bank consistently drove innovations in the mechanisms and practices of the Board of Directors and its special committees, fulfilled its compliance obligations regarding information disclosure, and further enhanced its investor relations management practices. During the reporting period, the Bank strictly followed the *Measures for the Administration of Safeguards for the Performance of Duties by State-owned Equity Directors of Financial Institutions* and other applicable requirements, and continuously enhanced the operational quality and efficiency of the Board of Directors. It remained committed to producing financial reports of the highest standards in the industry, with its annual reports earning major international awards for many consecutive years. The Bank's information disclosure work maintained the highest rating from the SSE. In addition, the Bank continuously enhanced the depth and width of its communication with markets, comprehensively deepened market value management efforts, and effectively safeguarded the rights and interests of minority shareholders.

Third, continuously promoting Board diversity. The Bank places significant emphasis on the diversity of its Board of Directors and is committed to promoting Board diversity to ensure scientific, professional and efficient decision-making by the Board of Directors. During the reporting period, the Bank revised the *Board Diversity Policy of Bank of China Limited*, taking into full consideration directors' gender, age, cultural background, geographical location, professional experience, educational background, term of service, and other regulatory requirements as well as factors the Board of Directors deemed applicable throughout the director selection process. The members of the Bank's Board of Directors have extensive industry experience. During the reporting period, newly appointed members added further expertise in audit, risk management, and sustainability management to the Board. Currently, the Board of Directors has successfully fulfilled its diversity commitments in all respects, including gender diversity.

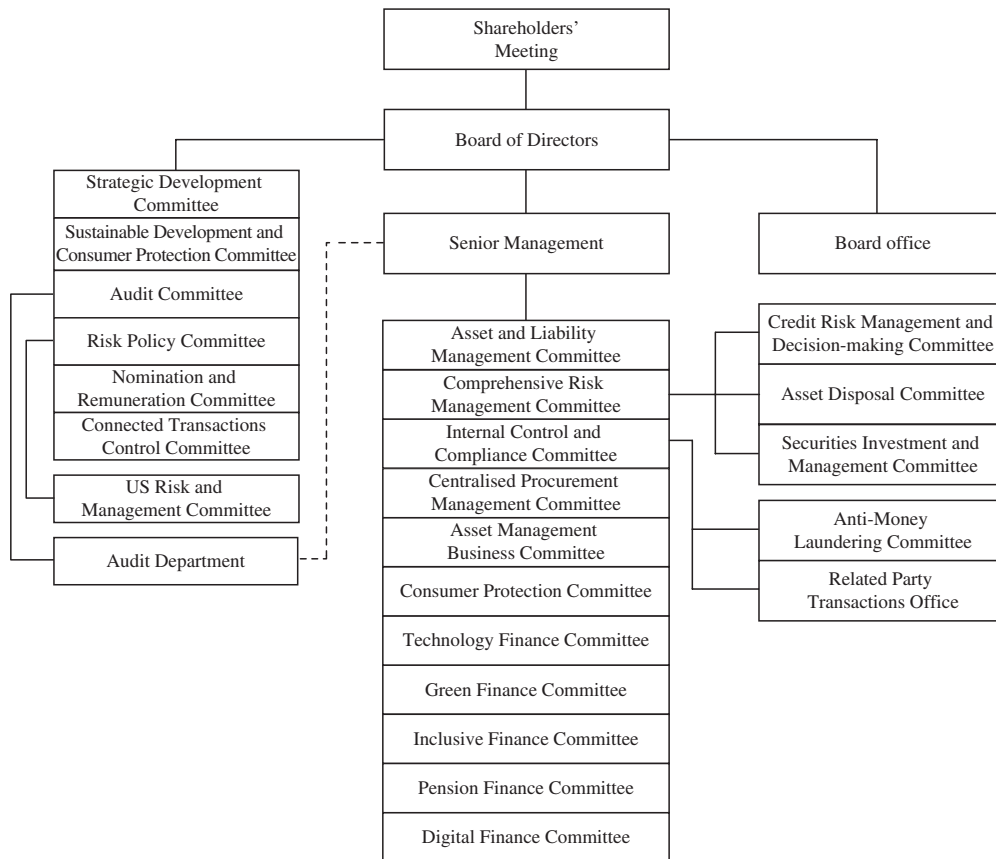
In 2025, the Board of Directors of the Bank earnestly implemented national strategies, continued to enhance financial support for major strategies, key areas and weak links, and made solid progress in advancing the “five major tasks”. It also promoted the Group's high-quality development while helping improve the quality and efficiency of its service to the real economy, and achieved sound execution of its strategy.

Pursuant to the requirements of the Company Law and other relevant regulations, the Bank has ceased to have the Board of Supervisors since September 2025, and the Audit Committee of the Board of Directors has assumed the functions and powers of the Board of Supervisors as prescribed by the Company Law and other laws and regulatory provisions, and Ms. WEI Hanguang, Mr. JIA Xiangsen, Mr. HUI Ping, and Mr. CHU Yiyun have ceased to serve as supervisors of the Bank. During their tenures, none of the supervisors of the Bank held any shares of the Bank, nor were there any circumstances involving them entering into service contracts, acquiring shares, or being subject to penalties as described in the “Report of the Board of Directors” section and the “Significant Events” section. None of the supervisors had any material interest in any significant transaction, arrangement or contract to which the Bank, its holding companies, its subsidiaries or fellow subsidiaries was a party, nor did they have any interests in the shares, underlying shares or debentures of the Bank. During the reporting period, there were no relationships (including financial, business, family or other material or relevant relationships) among the directors, supervisors and Senior Management members of the Bank. For details regarding the duty performance of the Board of Supervisors of the Bank in 2025, please refer to the announcements published by the Bank on the websites of the SSE, the HKEX and the Bank.

The Bank’s corporate governance performance received full recognition from capital markets and the public, as evidenced by the Bank 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 2025, 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 had 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 re-examined and amended the Articles of Association to ensure the document fully reflects the latest guiding principles of the CPC Central Committee for financial work, and strictly aligns with laws and regulations such as the Company Law and the latest regulatory rules. The Bank took the opportunity presented by these amendments to the Articles of Association to further integrate the Party's leadership into all parts of its corporate governance, and further improve its corporate governance framework through 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 effective communication with shareholders through various channels, including holding Shareholders' Meeting and maintaining an investor hotline. It ensures that all shareholders are treated equally, and safeguards their rights to be informed of, participate in, and vote on major matters 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, assets, institutional and financial matters.

Shareholders' Right to Convene an Extraordinary General Meeting

According to the Articles of Association, shareholders who individually or jointly hold at least 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 request shall be made in writing. The Board of Directors shall give a written response within ten days from the date of receipt of such request. If the Board of Directors agrees to convene the meeting, it shall give notice of convening the meeting within five days from the date of the board resolution. If the Board of Directors does not agree to convene the meeting, or fails to give a response within ten days from the date of receipt of such request, the shareholder or shareholders shall have the right to request the Audit Committee to convene the meeting. The request shall be made in writing. If the Audit Committee agrees to convene the meeting, it shall give notice of convening the meeting within five days from the date of receipt of the request. If the Audit Committee fails to give such notice, it shall be deemed that the Audit Committee refuses to convene and preside over the Shareholders' Meeting. A shareholder or shareholders individually or jointly holding at least 10% of the total voting shares of the Bank for over 90 consecutive days may voluntarily convene and preside over such meeting in accordance with relevant regulations.

Shareholders' Right to Propose Resolutions at the Shareholders' Meeting

According to the Articles of Association, shareholders who individually or jointly hold 1% or more voting shares of the Bank shall have the right to propose and submit in writing to the Board of Directors interim proposals ten days prior to the convening of the Shareholders' Meeting. If 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. If the proposing shareholders dissent with the Board of Directors' decision to exclude such proposals, they may request to call for an extraordinary general meeting by themselves based on the procedures stipulated in the Articles of Association.

Shareholders' Right to Present Enquiries

According to the Articles of Association, shareholders shall have the right to access relevant information of the Bank, including the Articles of Association, the register of shareholders, and financial and accounting reports.

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, issuance of bonds and other securities, merger, division, amendment to the Articles of Association, election of directors and deciding on matters concerning the remuneration of directors.

Convening of Shareholders' Meetings during the Reporting Period

During the reporting period, the Bank held one annual general meeting and four extraordinary general meetings, at which proposals including the plan of the offering of A Shares to specified investors, the profit distribution plan, the appointments of directors, the amendments to the Articles of Association, the amendments to the procedural rules for the Shareholders' Meeting, the amendments to the procedural rules for the Board of Directors, the dissolution of the Board of Supervisors, and the issuance of capital instruments were considered and approved. The aforementioned Shareholders' Meetings were convened and held in strict compliance with relevant laws, administrative regulations, and the Articles of Association. Directors and Senior Management members of the Bank attended the meetings and communicated with shareholders regarding their concerns.

For details of the aforementioned Shareholders' Meetings, please refer to the announcements published by the Bank on 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' Meeting and the scheme on the authorisation to the Board of Directors granted by the Shareholders' Meeting, and earnestly carried out the proposals that were considered and approved by the Shareholders' Meeting.

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 shall exercise the following functions and powers as specified in the Articles of Association: to be responsible for convening the Shareholders' Meeting and to report its work to the Shareholders' Meeting; to implement the resolutions of the Shareholders' Meeting; to formulate the development strategy of the Bank and to supervise its implementation; to formulate the annual financial budgets and final accounts of the Bank; to decide on the business plan and investment plan of the Bank; to formulate the plans for profit distribution and loss recovery of the Bank; to formulate plans for the increase or reduction of registered capital of the Bank, the issuance or public listing plans of other securities or issuance of bonds of the Bank; to formulate plans for substantial acquisition, acquisition of the Bank's shares or plans for merger, division, dissolution or change of nature of organisation of the Bank; to review and approve the Bank's outbound investment, asset purchase, asset disposal and write-off, asset collateral, connected transactions, outbound donations, data governance and other matters in accordance with laws and regulations, regulatory provisions, the Articles of Association and authorisation plan of the Bank; to review and approve the establishment of the Bank's basic administrative system, internal management framework and important sub-entities; to appoint or dismiss the Bank's senior management personnel; to study and determine the chair and members of relevant special committees under the Board of Directors; to review and approve corporate governance policies of the Bank; to formulate proposals for amendment of the Articles of Association, formulate the procedural rules of the Shareholders' Meeting and Board of Directors, to review and approve the working rules of the special committees under the Board of Directors; to examine the Bank's human resources and remuneration strategies, review and determine the remuneration strategies for the Bank's senior management personnel; to be responsible for performance evaluation of senior management personnel; to decide on the material rewards and punishment matters for senior management personnel; to review and approve the information disclosure policy and system of the Bank; to be responsible for the information disclosure of the Bank, and to assume ultimate responsibility for the authenticity, accuracy, completeness and timeliness of the accounting and financial reports and other information disclosures; to assume the duty of green finance provider, review and approve green finance development strategy, annual, and medium and long-term objectives, and listen to reports on the implementation of the green finance strategy; to propose to the Shareholders' Meeting to appoint or dismiss the accounting firms that conduct regular statutory audits of the Bank's financial reports; to hear the work report from the president and other senior management personnel of the Bank and urge them to perform the management duties; to hear the report of the rectification opinion regarding the Bank issued by relevant regulatory authorities and the execution status of rectification by the Bank; to hear the report by external auditors on a regular or irregular basis; to review and approve the Bank's annual report; to formulate the Bank's capital plans and assume ultimate responsibility for capital management; to formulate the Bank's risk appetite, risk management and internal control policies and assume ultimate responsibility for overall risk management; to regularly evaluate and improve the corporate governance of the Bank; to assume the ultimate responsibility for consumer protection, provide overall planning and guidance for consumer protection and safeguard the legitimate rights and interests of financial consumers and other stakeholders; to assume responsibility for the management of shareholders' affairs and establish mechanisms to identify, review and manage conflicts of interest between the Bank and its shareholders, especially substantial shareholders; to exercise other functions and powers prescribed by laws, regulations, regulatory provisions or the Articles of Association, and those granted by the Shareholders' Meeting.

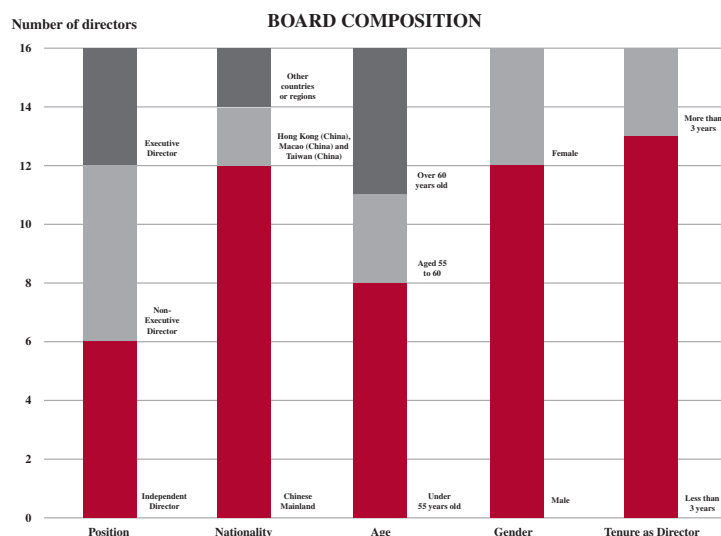
The Bank has established relevant mechanisms to ensure that the Board of Directors has access to independent opinions and comments. According to the Articles of Association, special committees of the Board of Directors may engage intermediaries to issue professional opinions in the course of performing 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 Sustainable Development and Consumer Protection Committee, the Audit Committee, the Risk Policy Committee, the Nomination 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 16 members. In addition to the Chairman, there are 3 executive directors, 6 non-executive directors and 6 independent directors. The proportion of independent directors exceeds 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 on which 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, regulatory 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 and Senior Management Members”. The composition of the Board of Directors is set out below:



Convening of Board Meetings

In 2025, the Bank convened eleven on-site meetings of the Board of Directors and one meeting via written resolution. The Board of Directors reviewed 113 proposals that 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, and the profit distribution, etc. It also heard 24 reports related to the Group’s comprehensive 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 the 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, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputational risk, strategic risk, and information technology risk) and the 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's 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 Board of Directors and its Audit Committee 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 committees heard and reviewed, on a regular and ad hoc basis, internal audit reports and assessment opinions on internal control, as well as reports on the progress of internal control improvements and remediation suggested by external auditors.

During the reporting period, the Bank performed a 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 *2025 Internal Control Assessment Report of Bank of China Limited* and the *2025 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

Directors	Shareholders' Meetings	Meetings of the Board of Directors	Meetings of the Special Committees of the Board of Directors					
			Strategic Development Committee	Sustainable Development and Consumer Protection Committee	Audit Committee	Risk Policy Committee	Nomination and Remuneration Committee	Connected Transactions Control Committee
Incumbent Directors								
GE Haijiao	5/5	12/12	8/8	-	-	-	-	-
ZHANG Hui	5/5	12/12	8/8	-	-	-	-	-
LIU Jin	3/4	5/7	3/4	3/3	-	-	-	-
CAI Zhao	0/0	2/2	1/1	-	-	1/1	-	-
ZHANG Yong	5/5	12/12	8/8	-	7/7	7/7	-	-
HUANG Binghua	5/5	12/12	-	5/5	-	7/7	8/8	-
LIU Hui	5/5	12/12	8/8	-	-	7/7	-	5/5
SHI Yongyan	5/5	12/12	8/8	5/5	-	-	8/8	-
LOU Xiaohui	5/5	12/12	8/8	-	4/4	-	-	5/5
LI Zimin	5/5	10/10	7/7	-	-	-	-	-
Jean-Louis EKRA	5/5	12/12	8/8	5/5	-	7/7	-	-
Giovanni TRIA	5/5	11/12	7/8	4/5	6/7	-	-	4/5
LIU Xiaolei	4/5	12/12	-	-	6/7	7/7	7/8	5/5
ZHANG Ran	5/5	8/8	-	-	4/4	5/5	6/6	-
KO Margaret	1/2	4/5	-	-	-	3/3	4/4	3/3
WOO Chin Wan Raymond	1/1	2/2	-	-	1/1	-	1/1	1/1
Former Directors								
ZHANG Jiangang	2/2	6/6	5/5	-	4/4	-	-	-
Martin Cheung Kong LIAO	3/3	7/7	5/5	-	4/4	-	4/4	2/2
CHUI Sai Peng Jose	2/2	6/6	-	3/3	-	4/4	3/3	2/2

Notes:

- In 2025, no director held any objection to the proposals considered during the meetings of the Board of Directors or its special committees.
- The above directors who were unable to attend the meetings of the Board of Directors or the meetings of the special committees in person had appointed other directors to attend the meetings and exercise their voting rights on their behalf.

Training and Expertise Enhancement of Directors

In 2025, 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 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 other advanced banks.

Company Secretary and Professional Training

Mr. LIU Chenggang has served as Company Secretary of the Bank concurrently since December 3, 2025. From the date of Mr. LIU Chenggang's appointment as Company Secretary of the Bank and for a period of three years thereafter, Ms. LIU Lele has assisted and will continue to assist him in performing his duties as Company Secretary.

During the reporting period, the Company Secretary of the Bank has undertaken no fewer than 15 hours of relevant professional training in compliance with the requirements of the Hong Kong Listing Rules.

Independence and Duty Performance of Independent Directors

There are currently six independent directors on the Board of Directors. This reaches over 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 and Senior Management Members". During the reporting period, independent directors individually served as Chairs of the Audit Committee, the Nomination 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 2025, 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 the 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 Shareholders' Meetings, Meetings of the Board of Directors and Special Committees" for the meeting attendance of independent directors.

In 2025, the Bank held a special meeting of independent directors to review *the Proposal on the Cap on the Consolidated Amount of Routine Connected Transactions Between Bank of China and China CITIC Financial Asset Management Co., Ltd. and China CITIC Financial AMC International Holdings Limited under the Rules of the Shanghai Stock Exchange*. During the reporting period, independent directors put forward constructive suggestions on the Bank's asset quality control, capital management, connected transactions management, audit supervision and financial technology, among others. These suggestions 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 event or condition during the reporting period that might have a material adverse effect on the continuous 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 Mr. ZHANG Hui, Executive Directors Mr. LIU Jin and Mr. CAI Zhao, Non-executive Directors Mr. ZHANG Yong, Mr. LIU Hui, Mr. SHI Yongyan, Ms. LOU Xiaohui and Mr. LI Zimin and Independent Directors Mr. Jean-Louis EKRA and Mr. Giovanni TRIA. Chairman Mr. GE Haijiao serves as Chair of the committee.

In 2025, the Strategic Development Committee held seven on-site meetings on 14 February, 26 March, 30 March, 29 April, 20 June, 29 August and 28 October, respectively and one meeting via written resolution. The committee mainly reviewed the proposals on the Business Plan and Financial Budget for 2025, the Fixed Asset Investment Budget for 2025, the Profit Distribution Plan for 2024, the Reform Plan of the Board of Supervisors, the Financial Bond Issuance Plan, the Dividend Distribution Plan of Preference Shares, and the Application for Special Outbound Donation Limit. It heard the Report on Development Plan Implementation for 2024, Report on Development Plan Implementation for the First Half of 2025, and Report on Fintech Plan Implementation for 2024, 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, accelerate business transformation and development, and improve the quality and efficiency of its services to the real economy, thus providing strong support to the well-informed decision-making of the Board of Directors.

Sustainable Development and Consumer Protection Committee

The Sustainable Development and Consumer Protection Committee comprises five members, including Executive Director Mr. LIU Jin, Non-executive Directors Mr. HUANG Binghua and Mr. SHI Yongyan, and Independent Directors 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.

In 2025, the Sustainable Development and Consumer Protection Committee held five on-site meetings on 24 March, 28 April, 19 June, 28 August and 24 October, respectively, at which it reviewed the proposals on the Corporate Social Responsibility Report (ESG) for 2024, the 2024 Work Summary of and 2025 Work Plan for Consumer Protection, and the Report on 2024 Internal Assessment Results for Consumer Protection, etc. In addition, it regularly heard reports on complaints management and supervisory assessment on consumer rights protection and the following rectification, undertook the overall planning and detailed deployment of the Bank's sustainable development and consumer protection work, and put forward important guiding and constructive opinions and suggestions.

Audit Committee

The Audit Committee comprises six members, including Non-executive Directors Mr. ZHANG Yong and Ms. LOU Xiaohui, and Independent Directors Mr. Giovanni TRIA, Ms. LIU Xiaolei, Ms. ZHANG Ran and Mr. WOO Chin Wan Raymond. Independent Director Ms. LIU Xiaolei serves as Chair of the committee, and Non-executive Director Ms. LOU Xiaohui serves as Vice Chair of the Committee.

In 2025, the Audit Committee held six on-site meetings on 13 February, 25 March, 28 April, 27 August, 23 October and 19 December, respectively, as well as one meeting via written resolution. The Audit Committee mainly reviewed and approved proposals including the 2025 work plan and financial budget for internal audit, the evaluation results of external auditors for 2024, and the work plan for the performance evaluation of the Board of Directors, the Senior Management, and their members for 2025; and reviewed the 2024 financial statements, the financial report and disclosure for the first quarter of 2025, the 2025 interim financial statements, the financial report and disclosure for the third quarter of 2025, the 2024 internal audit work report, the 2024 internal control evaluation report, the re-engagement and fees of external auditors for 2025, and the revision of the procedural rules of the Audit Committee of the Board of Directors, among others. In addition, it heard the management's response to external auditors' 2024 management proposal, external auditors' 2025 audit plan, the progress of audit digitisation, the work mechanism of lead auditor and participating auditors under the joint audit model, as well as the reports on the 2024 special audit of business continuity management, the 2024 special audit of off-balance-sheet business, and the 2024 special audit of market risk management, etc.

Reviewing financial information and related disclosures. The Audit Committee reviewed the 2024 financial statements, 2025 interim financial statements, and the financial reports for the first and third quarter of 2025 and related disclosures, and supervised and verified the truthfulness, accuracy and completeness of the information disclosed in the financial reports. Targeting the changes in the economic and financial landscape at home and abroad, it provided suggestions on how to optimise the operation model in a low-interest-rate environment, strengthen asset quality management in key areas, and refine capital management. During the preparation and audit of the 2025 annual financial report, it understood from the external auditors on the timeline, schedule and key areas of audit. It heard and reviewed the report from the Senior Management, and requested that the Senior Management submit the financial report to the external auditors, to ensure that the external auditors have sufficient time to conduct the annual audit. During the process, the Audit Committee maintained sufficient communication with the external auditors and arranged separate communication between independent directors and the external auditors. The Audit Committee convened a meeting on 26 March 2026, at which it adopted the 2025 annual financial report of Bank of China by voting, and held that the 2025 annual financial report truly, accurately and completely reflected the Bank's actual conditions. The resolution was then formed and submitted to the Board of Directors for approval.

Supervising and evaluating the external audit work. The Audit Committee organised the evaluation of the performance of Ernst & Young Hua Ming LLP as the external auditor in 2024, with the results serving as the basis for its re-engagement. It agreed to re-engage Ernst & Young Hua Ming LLP as the Bank's external auditor for 2025, and submitted the proposal to the Board of Directors for approval. It obtained detailed information on the 2025 audit plan from the external auditors, heard reports on the audit progress, self-assessment and compliance with the independence requirements at various stages, focused on and promoted the establishment of a coordination and communication mechanism between the principal and participating auditors under the joint audit model, and urged the external auditors to conscientiously fulfil their duties and complete the relevant audit work independently, objectively, and impartially.

Guiding, assessing and evaluating internal audit work. The Audit Committee regularly reviewed the internal audit work plan, heard reports on internal audit on a quarterly basis, gained comprehensive understanding of the key audit areas, major findings and rectification progress, urged to enhance the quality and effectiveness of internal audit, accelerated the digital transformation of internal audit, deepened systematic rectification of issues identified in audit, and promoted effective integration and coordinated efforts between internal and external audits.

Supervising and assessing the Bank’s internal control. The Audit Committee regularly evaluated the effectiveness of internal control, comprehensively analysed the establishment and operation of the internal control system for financial and non-financial reports, and reviewed internal control evaluation reports. It heard and reviewed, on a regular and ad hoc basis, internal audit reports, assessment opinions on internal control, and reports on the progress of internal control improvements and remediation suggested by external auditors, and urged continuous improvement and optimisation of internal control.

Exercising the functions and powers of the Board of Supervisors prescribed by the Company Law and other laws and regulatory rules. The Audit Committee revised its procedural rules, improved its responsibilities, and clarified that the Audit Committee exercises the functions and powers of the Board of Supervisors as stipulated by the Company Law and other relevant laws and regulations. It explored the supervisory working mechanism for the Audit Committee, steadily advanced supervisory work and ensured compliant operation. It focused on the performance of duties by the Board of Directors, the Senior Management and their members, formulated the 2025 performance evaluation work plan, conducted annual performance evaluation, and prepared evaluation opinions on the duty performance of the Board of Directors, the Senior Management and their members in 2025. According to the evaluation, the performance evaluation results of all the Directors and Senior Management members included in the evaluation for the year 2025 are “competent”. The Audit Committee held no objection to the supervision matters during the reporting period. The Bank published the *Announcement on the Dissolution of the Board of Supervisors* on 25 September 2025. For details regarding the duty performance of the Board of Supervisors of the Bank in 2025, please refer to the relevant announcements published by the Bank.

Risk Policy Committee

The Risk Policy Committee of the Bank comprises eight members, including Executive Director Mr. CAI Zhao, Non-executive Directors Mr. ZHANG Yong, Mr. HUANG Binghua and Mr. LIU Hui, and Independent Directors Mr. Jean-Louis EKRA, Ms. LIU Xiaolei, Ms. ZHANG Ran and Ms. KO Margaret. 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.

In 2025, the Risk Policy Committee held seven on-site meetings on 12 February, 24 March, 25 April, 19 June, 27 August, 23 October, and 18 December, respectively. The committee mainly reviewed the Group's risk appetite statement, the policy for interest rate risk in the banking book management, the management measures for the internal rating system for credit risk, and the capital adequacy ratio report. The committee also regularly reviewed the Group's comprehensive risk reports and other agendas.

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 about refining the Bank's comprehensive risk management system, improving the Bank's risk governance systems and mechanisms, and enhancing its capabilities with regards to risk events and emergency response.

The US Risk and Management Committee is established under the Risk Policy Committee. It oversees and manages all risks of 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 five members, all of whom are members of the Risk Policy Committee, including Executive Director Mr. CAI Zhao, Non-executive Directors Mr. ZHANG Yong and Mr. HUANG Binghua, and Independent Directors Mr. Jean-Louis EKRA and Ms. KO Margaret. Executive Director Mr. CAI Zhao and Independent Director Mr. Jean-Louis EKRA serve as Co-Chairs of the US Risk and Management Committee.

In 2025, the US Risk and Management Committee held four on-site meetings on 14 March, 13 June, 12 September, and 10 December, respectively, and six 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 reports on the latest US regulatory trends and dynamics, among others.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Bank comprises six members, including Non-executive Directors Mr. HUANG Binghua and Mr. SHI Yongyan, and Independent Directors Ms. LIU Xiaolei, Ms. ZHANG Ran, Ms. KO Margaret and Mr. WOO Chin Wan Raymond. Independent Director Ms. KO Margaret serves as Chair of the committee.

In 2025, the Nomination and Remuneration Committee held eight on-site meetings on 24 January, 24 March, 28 April, 18 July, 28 August, 24 September, 24 October, and 18 December, respectively. The committee mainly reviewed proposals on the nominations of Mr. LIU Jin and Mr. CAI Zhao to be appointed as Executive Directors of the Bank, the appointments of Mr. WU Jian, Mr. YANG Jun and Mr. LIU Chenggang as Executive Vice Presidents of the Bank, the appointment of Mr. LIU Chenggang as Secretary to the Board of Directors and Company Secretary of the Bank, the nomination of Mr. Giovanni TRIA to be re-appointed as Independent Non-executive Director of the Bank, the nominations of Mr. WOO Chin Wan Raymond and Ms. KO Margaret as candidates for Independent Non-executive Directors of the Bank, adjustments to Chairpersons and members of special committees of the Board of Directors, the election of Ms. LOU Xiaohui as Vice Chairwoman of the Audit Committee of the Board of Directors, the *Board Diversity Policy of Bank of China Limited (revised in 2025)*, the *Measures for Handling of Employee Violations of Bank of China Limited (revised in 2025)*, revising the Procedural Rules of the Personnel and Remuneration Committee of the Board of Directors of Bank of China Limited and adjusting the name of the committee, the renewal of Directors', Supervisors' and Officers' liability insurance for 2025-2026 of Bank of China, the implementation plan on performance management for the Chairman of the Board of Directors, the President and other Senior Management members in 2025, the performance evaluation results for the Chairman of the Board of Directors, the President, and other Senior Management members in 2024, the remuneration distribution plan for Executive Directors in 2024, and the remuneration distribution plan for Senior Management members in 2024.

According to the Articles of Association, shareholders who hold, individually or jointly, 3% or more of the total number of voting shares of the Bank may, by submitting a written proposal to the Shareholders' Meeting, recommend candidates for relevant directors, provided the number of candidates nominated shall be in accordance with the provisions of the Articles of Association (as stipulated by the Articles of Association, the Board of Directors shall be composed of 13 to 19 directors) and not exceed the number to be elected. The 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 of directors to be elected. The Nomination 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. Upon 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 and shareholders eligible to nominate 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 and Ms. LOU Xiaohui, and Independent Directors Mr. Giovanni TRIA, Ms. LIU Xiaolei, Ms. KO Margaret and Mr. WOO Chin Wan Raymond. Independent Director Mr. WOO Chin Wan Raymond serves as Chair of the committee.

In 2025, the Connected Transactions Control Committee held five on-site meetings on 13 February, 25 March, 28 August, 23 October and 18 December. It mainly reviewed the proposal on signing unified transaction agreements for financial markets business with eight connected parties including BOCHK, BOC Malaysia, et al., the resolution on routine connected transactions between the Bank and its Directors, Senior Management and their connected parties, the cap on the consolidated amount of routine connected transactions between the Bank and CITIC Financial AMC and China CITIC Financial AMC International Holdings Limited under the rules of the SSE, the management policy for connected transactions, the procedural rules of the Connected Transactions Control Committee, the reports on the management of connected transactions for 2024 and the first half of 2025, the report on the Group's connected transactions audit and remediation of problems for 2024, and the disclosure of connected transactions in the 2024 annual report, among others. It also regularly reviewed connected transactions under accounting standards. During the reporting period, the Connected Transactions Control Committee continuously monitored the implementation of new regulatory provisions, the improvement of the connected transaction management mechanism, and the execution of standard transaction agreements, etc. Committee members provided constructive suggestions and recommendations on the management of connected parties and the monitoring of connected transactions.

For details of the duties of the aforementioned special committees, please refer to the Articles of Association.

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 operations and 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 plans, operation strategies and management measures, made timely adjustments according to market changes, and made every effort to serve the real economy, prevent and control financial risks, and promote reform and innovation. It invited directors to attend important meetings and major events, listened to their opinions and suggestions, regularly reviewed the implementation progress of those opinions and suggestions, and maintained close communication with the Board of Directors, continuously improving the quality and efficiency of operations and management. In 2025, the Group's overall operating results maintained steady progress with quality improvement.

During the reporting period, the Senior Management of the Bank focused on key operational and management matters and discussed and decided upon a series of matters relevant to 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, as well as specific tasks in corporate banking, personal banking, financial markets, channel operation, IT and risk compliance.

During the reporting period, the former Risk Management and Internal Control Committee under the Senior Management was restructured and divided into the Comprehensive Risk Management Committee and the Internal Control and Compliance Committee, responsible for the coordination and professional decision-making of the Group's comprehensive risk management, and internal control and compliance, respectively. The Securities Investment and Management Committee under the Senior Management was restructured into a special committee under the Comprehensive Risk Management Committee, and the Cross-border Finance Committee was abolished. At present, the Senior Management comprises the Asset and Liability Management Committee, the Comprehensive Risk Management Committee (which governs the Credit Risk Management and Decision-making Committee, the Asset Disposal Committee and the Securities Investment and Management Committee), the Internal Control and Compliance Committee (which governs the Anti-money Laundering Committee and the Related Party Transactions Office), the Centralised Procurement Management Committee, the Asset Management Business Committee, the Consumer Protection Committee, the Technology Finance Committee, the Green Finance Committee, the Inclusive Finance Committee, the Pension Finance Committee, and the Digital 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 pushed forward the sound development of the Bank's various operations.

Securities Transactions by Directors

Pursuant to domestic and overseas securities regulatory requirements, the Bank formulated and implemented the *Management Rules on the Securities Transactions by Directors and Senior Management Personnel of Bank of China Limited* (the “*Management Rules*”) to govern securities transactions by directors and Senior Management members of the Bank. The terms of the *Management Rules* have adopted 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 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 2024, the Bank engaged Ernst & Young Hua Ming LLP as its domestic auditor and external auditor for internal control audit for 2024, and engaged Ernst & Young as its international auditor for 2024. For details, please refer to the announcements published by the Bank on the websites of the SSE, the HKEX and the Bank.

As deliberated and approved at the 2024 Annual General Meeting, the Bank continued to engage Ernst & Young Hua Ming LLP as its domestic auditor and external auditor for internal control audit for 2025, and engaged Ernst & Young as its international auditor for 2025.

As at 31 December 2025, the audit service fees paid to external auditors for auditing the financial statements of the Group, including those of the Bank’s overseas subsidiaries and branches, were RMB190 million, of which the fees for internal control audit paid to Ernst & Young Hua Ming LLP totalled RMB11.0008 million. The Bank paid RMB12.4682 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 two years. As the audit engagement partners and the certified public accountants who signed the auditor’s report for the Bank’s A Shares, Mr. XU Xuming and Ms. ZHANG Fan have both provided auditing services to the Bank for a continuous period of two years. As the audit engagement partner and the certified public accountant who signed the auditor’s report for the Bank’s H Shares, Ms. TSO Pui Sze has provided auditing services to the Bank for a continuous period of two years.

Information Disclosure

The Bank, focusing on the needs of investors and aiming for the improvement of information disclosure quality and efficiency, makes sustained efforts to enhance the transparency, pertinence and effectiveness of its information disclosure and ensures that the information disclosure is authentic, accurate, complete, timely and fair. In 2025, the Bank continued to improve and strictly implement its information disclosure policy framework, and reviewed and revised its information disclosure policies in accordance with the latest regulatory requirements, putting in place clear specifications regarding information disclosure scope, contents, procedures, and internal monitoring and punitive measures. The Bank’s information disclosure was carried out

in a compliant manner, with a total of 519 documents published on the SSE and the HKEX during the year, including those relating to interim and annual profit distributions as well as the offering of A Shares to specified investors. The Bank further enhanced voluntary disclosure by fully presenting, in its periodic reports, progress in areas of market focus such as serving the real economy, advancing the “five major tasks”, supporting high-level opening-up and promoting digital transformation. It optimised disclosure content to respond to market concerns and strengthened both the depth and breadth of the disclosure of business-related indicators, fostering constructive interaction with the capital markets. It continued to enhance its information disclosure management capabilities by improving accountability mechanisms and the “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, maintained registers of insiders and fulfilled the relevant regulatory reporting obligations. 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.

The Bank’s information disclosure has maintained the highest “A” rating from the SSE for 12 consecutive years, and its 2024 Annual Report has received an award in the annual report competition from the League of American Communications Professionals (LACP) and an “Honor in Infographics” from the Annual Report Competition (ARC).

Investor Relations

In 2025, in compliance with regulatory requirements and management needs, the Bank earnestly and actively carried out a range of investor relations activities, including shareholder services, equity management and market communication. The Bank kept abreast of market trends and dynamics, closely monitored key indicators of market value management, continuously improved the quality and efficiency of market communication, and continued to build a professional and efficient investor relations management practice, striving to ensure that the Bank’s investment value properly reflects its quality. The Bank meticulously prepared its annual and interim results releases, as well as quarterly results briefings, with participation from the President and other Senior Management members, fully communicating the Bank’s investment value as embodied in its stable and robust operating performance, sound shareholder returns, enhanced strengths in globalisation, and sustained improvement in development quality. It also deeply engaged with institutional investors, held results releases and project roadshows at home and abroad, participated in investment bank forums, conducted in-person visits, received visitors and attended online meetings. The Bank recorded and registered relevant information in a timely manner, and conducted in-depth exchanges with various types of shareholders, to attract more rational, value-oriented, and long-term investment. It continued to enhance services for minority investors, professionally answered investor hotline and email inquiries, promptly responded to questions from the “e-interaction online platform” operated by the SSE, and optimised the information shared in the Investor Relations section of the official website of the Bank. The Bank fully leveraged the role of the capital market as a bridge and actively reached out to investors to understand their concerns, while conveying market demands and suggestions internally in a timely manner to empower its operations and management and promote the realisation of high-quality development.

Implementation of the Plan of Enhancing Valuation and Improving Quality, Efficiency and Returns

In 2025, to earnestly implement the *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market* issued by the State Council and the *Regulatory Guidelines No. 10 of Listed Companies – Market Value Management* issued by the CSRC, as well as to actively respond to the *Initiative to SSE-Listed Companies to Launch Special Action of “Improving Quality, Efficiency and Returns”* proposed by the SSE, the Bank formulated and carried out the *Market Value Management Measures of Bank of China Limited* and the *Plan of Enhancing Valuation and Improving Quality, Efficiency and Returns of Bank of China Limited*. Building on corporate quality improvement, the Bank focused on prudent operations and adhered to high-quality development. It remained fully committed to serving national strategies and social well-being, continuously enhancing its operational efficiency and value creation capabilities, accelerating efforts to improve its global presence and international competitiveness, and effectively balancing development with security (for details, please refer to the section “Management Discussion and Analysis”). The Bank remained dedicated to creating value for its shareholders and enhancing investor returns, with the dividend payout ratio remaining at a relatively high level in recent years. It successfully completed the first interim dividend distribution for 2024 and continued interim dividend distribution for 2025, with tighter timetable to allow investors to share the Bank’s operating results as early as possible. It innovatively implemented an RMB option for dividend payments for H Shares, effectively promoting the international use of RMB and providing investors with a choice of dividend currency and a more convenient service. It also proactively conducted multi-level, multi-channel and multi-dimensional investor communications, and continued to improve the transparency and accuracy of information to enhance investors’ awareness and recognition of the Bank’s investment value.

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 2025.

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 2025 are set out in the Consolidated Financial Statements. The Board of Directors has recommended a final dividend on ordinary shares for 2025 of RMB1.169 per 10 shares (before tax), subject to the approval of the Bank’s Shareholders’ Meeting. If approved, the 2025 final dividend on the Bank’s ordinary shares will be denominated and declared in RMB and paid in RMB or equivalent HKD, and holders of H Shares are provided with the option of dividend distribution in RMB. Holders of H Shares have the right to choose to receive the 2025 final dividend on ordinary shares of H Shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the final dividend of H Shares in whole or in part). The actual amount distributed in HKD will be calculated according to the average of reference exchange rates of HKD to RMB (announced by China Foreign Exchange Trade System at 11:00 every day) during the five working days before the date when shareholders begin to choose a currency (the date itself excluded). The above-mentioned dividends will be paid to the holders of A Shares and H Shares, whose names appear on the register of members after the close of trading on 9 July 2026. In accordance with relevant regulatory requirements and business rules, the dividend distribution date for A Shares is expected to be 10 July 2026 and the dividend distribution date for H Shares is expected to be 19 August 2026. The register of members of H Shares of the Bank will be closed from Monday, 6 July 2026 to Thursday, 9 July 2026 (both days inclusive), for the purpose of determining the list of shareholders entitled to the proposed final dividends on ordinary shares. In order to qualify for the proposed final dividends, the holders of H Shares of the Bank who have not registered the relevant transfer documents are required to lodge them, together with the relevant share certificates, with the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Rooms 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, China, no later than 4:30 p.m. on Friday, 3 July 2026. The last trading day prior to the ex-dividend date of H Shares will be on Tuesday, 30 June 2026, and the ex-dividend date of H Shares will be on Thursday, 2 July 2026. No capitalisation of the capital reserve to share capital is proposed for this profit distribution.

At the Bank's 2025 Fourth Extraordinary General Meeting held on 27 November 2025, an interim dividend on ordinary shares for 2025 of RMB1.094 per 10 shares (before tax) was approved. The dividends on A Shares and H Shares were distributed to shareholders in December 2025 and January 2026, respectively, in accordance with relevant regulations. The distribution plan has been completed, with the actual dividend amount distributed for ordinary shares amounting to approximately RMB35.250 billion (before tax).

At the Bank's 2025 First Extraordinary General Meeting held on 16 April 2025, a final dividend on ordinary shares for 2024 of RMB1.216 per 10 shares (before tax) was approved. The dividends on A Shares and H Shares were distributed to shareholders in April 2025 and May 2025, respectively, in accordance with relevant regulations. The distribution plan has been completed, with the actual dividend amount distributed for ordinary shares amounting to approximately RMB35.798 billion (before tax).

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 dividends on A Shares and H Shares were distributed to shareholders in January 2025 and February 2025, respectively, in accordance with relevant regulations. The distribution plan has been completed, with the actual dividend amount distributed for ordinary shares amounting to approximately RMB35.562 billion (before tax).

Preference Shares

At the fifth meeting of the Board of Directors of 2025, the dividend distribution plans for the Bank's Domestic Preference Shares (Third Tranche and Fourth Tranche) were approved. The Bank distributed a total of RMB2.5404 billion (before tax) of dividends on the Domestic Preference Shares (Third Tranche) on 27 June 2025, with an annual dividend rate of 3.48% (before tax). The Bank distributed a total of RMB0.8829 billion (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 29 August 2025, with an annual dividend rate of 3.27% (before tax). The dividend distribution plans have been completed.

At the fourth meeting of the Board of Directors of 2024, 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 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 completed.

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
2025	0.2263	72,917	243,021	30%	Nil
2024	0.2424	71,360	237,841	30%	Nil
2023	0.2364	69,593	231,904	30%	Nil

Formulation and Implementation of Cash Dividend Policy

Ordinary Shares

The Bank takes full account of shareholder returns 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 state 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, and that the Bank shall adopt cash dividends 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 the profit distribution plan.

The formulation and implementation of the aforementioned cash dividend policy were in line with the provisions of the Articles of Association and resolutions of the Shareholders' Meeting. The criteria and ratio of the dividend distribution were clear and explicit, with complete decision-making procedures and mechanisms. The independent directors fully expressed their opinions and the legitimate rights and interests of minority shareholders were fully respected and protected.

The dividend distribution plans for ordinary shares of the Bank have 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 resolutions of the Shareholders' Meeting 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 from 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 RMB138.00 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 2025, 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 RMB7.44 trillion with connected parties in 2025, including the interbank business connected transactions of RMB6.81 trillion, credit-type connected transactions of RMB394.981 billion, asset transfer connected transactions of RMB13.345 billion, service connected transactions of RMB8.903 billion, and deposit and other connected transactions of RMB211.614 billion. As at 31 December 2025, 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 1.49% of the Bank’s net capital (legal entity reporting standards, the same below), the total balance of credit facilities granted to group customers which single connected legal-person or non-legal-person organisations belong to accounted for up to 1.49% of the Bank’s net capital, and the balance of credit facilities granted to all connected parties accounted for 5.80% of the Bank’s net capital, meeting the regulatory requirements.

On 14 February 2025, the Board of Directors of the Bank reviewed and approved *the Proposal on Signing Unified Transaction Agreements for Financial Markets Business with Eight Connected Parties including Bank of China (HONG KONG) Limited, BOC Malaysia et al.*, authorising the Bank to enter into unified transaction agreements with eight connected parties including BOCHK. The agreements are valid for one year. On 19 December 2025, the Board of Directors of the Bank reviewed and approved *the Proposal on the Cap on the Consolidated Amount of Routine Connected Transactions Between Bank of China and China CITIC Financial Asset Management Co., Ltd. and China CITIC Financial AMC International Holdings Limited under the Rules of the Shanghai Stock Exchange*, authorising a consolidated ceiling of RMB73.460 billion for routine connected transactions between the Bank and CITIC Financial AMC and China CITIC Financial AMC International Holdings Limited from 1 January 2026 to 31 December 2026, in accordance with the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*.

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 2025, 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.

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.43 to the Consolidated Financial Statements.

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 and Senior Management Members

The Bank has formulated clear regulations on the remuneration of directors and Senior Management members. The remuneration for Chairman of the Board of Directors, President, and executive vice presidents is determined in accordance with the State's policies in relation to remuneration reform for executives of 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 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 within the employees' responsibilities 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 are remunerated by the Bank, while non-executive directors are not remunerated by the Bank. The Bank remunerates directors 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.

Please refer to the section "Directors and Senior Management Members" for details of the remuneration of directors and Senior Management members.

Directors' Service Contracts

None of the directors of the Bank has a service contract with the Bank or its subsidiaries that is not terminable within one year or is not terminable without payment of compensation other than statutory compensation.

Directors' 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, its subsidiaries, or fellow subsidiaries was a party and in which a director or any entity connected with such director had a material interest, directly or indirectly, subsisted during the reporting period.

Directors' 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 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' Interests in Shares, Underlying Shares and Debentures

To the best knowledge of the Bank, as at 31 December 2025, none of the directors 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 Relationships among Directors and Senior Management Members

Directors and Senior Management members of the Bank are not related to one another with respect to finance, business, family, or other material relationships.

Substantial Shareholder Interests

Please refer to the section "Changes in Shares and Shareholdings of Shareholders" for 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 shareholdings under the Articles of Association. The Articles of Association provide that the Bank may increase its capital by issuing shares to unspecified offerees, issuing shares to specified offerees, allotting bonus shares to existing shareholders, capitalising capital reserve or through other means as permitted by laws, 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", "Sustainability Efforts" and "Consolidated Financial Statements". The relevant disclosure constitutes part of the Report of the Board of Directors.

Use of Raised Funds

The proceeds from all previous issuances of capital instruments by the Bank have been fully used to replenish the Bank's capital and increase the level of its capital adequacy, in accordance with the purposes specified in the prospectuses, offering circulars, and other documents disclosed by the Bank. For details, please refer to the announcements published by the Bank on the websites of the SSE, the HKEX and the Bank, and the Notes to the Consolidated Financial Statements.

For details of the use of the proceeds raised from the offering of A Shares to specified investors by the Bank during the reporting period, please refer to the announcements published by the Bank on 30 March 2026.

Tax and Tax Relief

For details regarding dividend-related taxes and tax exemptions, please refer to the relevant announcements published 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

The Bank thoroughly implements a people-centred development philosophy, safeguards the legitimate rights and interests of consumers, and fully integrates consumer protection into its corporate governance framework, business development strategies, and corporate culture. It continues to strengthen its consumer protection systems, embedding consumer protection principles and requirements across all businesses, functions, and processes, to effectively satisfy the diverse needs of financial consumers and continuously enhance the public’s sense of well-being, fulfilment, and security.

The Bank has established a robust consumer protection governance structure spanning the Board of Directors, the Senior Management, and the executive level, reinforcing primary accountability of consumer protection at every tier. In 2025, the Bank revised the *Management Measures for Consumer Protection Reviews of Bank of China Limited* and the *Guidelines for Financial Marketing and Promotion to Consumers of Bank of China Limited*, further strengthening management of consumer protection reviews and financial marketing and promotional activities.

The Bank has established an omni-channel complaint acceptance system covering telephone customer service, the official website, mobile applications, WeChat banking, email, and offline outlets. In 2025, overall customer satisfaction rates for the Bank’s comprehensive customer service hotline and credit card service hotline both exceeded 99%.

In 2025, the Bank accepted 272.7 thousand customer complaints, with a complaint resolution rate of 100%. By business category, 33.63% of the complaints were related to debit card business, 29.09% related to credit card business, and 14.34% related to loan business, together accounting for 77.06% of total complaints. By cause, 73.38% of the complaints were about policies and procedures, 8.59% about fee rates, and 5.62% about service facilities, equipment, and business systems, together accounting for 87.59% of the total complaints. By region, complaints were mainly concentrated in branches in Guangdong (7.89%), Shenzhen (7.49%), Henan (6.87%), Shandong (5.20%), and Jiangsu (4.97%).

In 2025, the Bank carried out over 268,000 external financial education and outreach activities.

Members of the Board of Directors

Executive Directors: GE Haijiao, ZHANG Hui, LIU Jin, CAI Zhao

Non-executive Directors: ZHANG Yong, HUANG Binghua, LIU Hui, SHI Yongyan, LOU Xiaohui, LI Zimin

Independent Directors: Jean-Louis EKRA, Giovanni TRIA, LIU Xiaolei, ZHANG Ran, KO Margaret, WOO Chin Wan Raymond

The Board of Directors
30 March 2026

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. 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 meeting of the Board of Directors and the Shareholders' Meeting held in November 2005. To date, the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan have not been implemented.

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 2025, please refer to Note V.41 to 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 2025, Huijin has strictly observed and has not breached such undertaking.

The controlling shareholder, directors, and Senior Management members of the Bank made commitments regarding the effective implementation of mitigation measures for the dilution of immediate returns when the Bank offered A Shares to specified investors. The MOF made commitments regarding share lock-up matters when subscribing to the Bank's shares. As at 31 December 2025, the controlling shareholder, directors, Senior Management members, and the MOF strictly observed and did not breach such undertakings.

Disciplinary Actions Imposed on the Bank, its Directors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its directors, 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, 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 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.

Other Events

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 204 to 427, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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”) as 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, as applicable to audits of financial statements of public interest entities. We have also 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.

Independent Auditor's Report (Continued)

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 determining whether significant increase in credit risk has occurred are 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 with 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 2025, loans and advances to customers measured at amortised cost amounted to RMB22,172,622 million, and the impairment allowance for such loans and advances to customers totalled RMB576,723 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 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.

Independent Auditor's Report (Continued)

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.

Independent Auditor's Report (Continued)

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.

As at 31 December 2025, the carrying amount of the Group's financial assets measured at fair value totalled RMB6,852,661 million. These comprised financial assets categorised as Level 1 under the fair value hierarchy, measured using quoted prices (unadjusted) in active market (10.58%), financial assets categorised as Level 2, measured using valuation techniques for which all significant valuation inputs are observable (86.25%), and financial assets categorised as Level 3, where fair value measurement involves significant unobservable inputs with higher uncertainty in valuation results (3.17%). 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.

Relevant disclosures are included in Note II.4, 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.

We performed audit procedures to evaluate the valuation techniques, data inputs and assumptions used by the Group on a sample basis.

For Level 1 financial assets, we compared the Group's valuation result with unadjusted quoted prices in active markets.

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.

We evaluated and tested the design and operating effectiveness of key internal controls related to disclosures of fair value.

Independent Auditor's Report (Continued)

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.

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.

Relevant disclosures are included in Note II.2, Note III.6 and Note V.46 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.

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.

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).

We evaluated and tested the design and operating effectiveness of key internal controls related to disclosures of unconsolidated structured entities.

Independent Auditor's Report (Continued)

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 as issued by the IASB 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.

Independent Auditor's Report (Continued)

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.

Independent Auditor's Report (Continued)

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 Size (practising certificate number: P04721).

Ernst & Young

Certified Public Accountants

Hong Kong

30 March 2026

Consolidated Financial Statements

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BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Interest income	V.1	1,000,907	1,071,539
Interest expense	V.1	(560,202)	(622,605)
Net interest income		440,705	448,934
Fee and commission income	V.2	95,449	88,587
Fee and commission expense	V.2	(13,212)	(11,997)
Net fee and commission income		82,237	76,590
Net trading gains	V.3	52,054	36,491
Net gains on transfers of financial assets	V.4	14,667	11,399
Other operating income	V.5	70,203	59,357
Operating income		659,866	632,771
Operating expenses	V.6	(256,623)	(235,770)
Credit impairment losses	V.9	(102,004)	(102,463)
Impairment losses on other assets		(1,083)	(259)
Operating profit		300,156	294,279
Share of results of associates and joint ventures	V.19	1,132	675
Profit before income tax		301,288	294,954
Income tax expense	V.10	(43,352)	(42,235)
Profit for the year		257,936	252,719
Attributable to:			
Equity holders of the Bank		243,021	237,841
Non-controlling interests		14,915	14,878
		257,936	252,719
Earnings per share (in RMB)	V.11		
— Basic		0.74	0.75
— Diluted		0.74	0.75

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.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Profit for the year		257,936	252,719
Other comprehensive income:	V.12		
Items that will not be reclassified to profit or loss			
— Actuarial gains/(losses) on defined benefit plans		7	(11)
— Changes in fair value on equity instruments designated at fair value through other comprehensive income		1,157	5,176
— Other		(22)	48
Subtotal		1,142	5,213
Items that may be reclassified to profit or loss			
— Changes in fair value on debt instruments measured at fair value through other comprehensive income		(30,253)	58,713
— Allowance for credit losses on debt instruments measured at fair value through other comprehensive income		(1,495)	(1,501)
— Finance income/(expenses) from insurance contracts issued		241	(7,247)
— Exchange differences from the translation of foreign operations		(6,395)	5,610
— Other		164	505
Subtotal		(37,738)	56,080
Other comprehensive income for the year, net of tax		(36,596)	61,293
Total comprehensive income for the year		221,340	314,012
Total comprehensive income attributable to:			
Equity holders of the Bank		207,895	298,136
Non-controlling interests		13,445	15,876
		221,340	314,012

The accompanying notes form an integral part of these consolidated financial statements.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	As at 31 December	
		2025	2024
ASSETS			
Cash and due from banks and other financial institutions	V.13	577,545	582,448
Balances with central banks	V.14	2,467,104	2,467,857
Placements with and loans to banks and other financial institutions	V.15	1,498,427	1,442,072
Government certificates of indebtedness for bank notes issued	V.27	230,240	217,405
Precious metals		305,698	179,635
Derivative financial assets	V.16	132,841	183,177
Loans and advances to customers, net	V.17	22,876,769	21,055,282
Financial investments	V.18	9,659,610	8,360,277
— Financial assets at fair value through profit or loss		757,713	600,297
— Financial assets at fair value through other comprehensive income		4,630,814	4,388,945
— Financial assets at amortised cost		4,271,083	3,371,035
Investments in associates and joint ventures	V.19	41,074	40,972
Property and equipment	V.20	231,955	223,905
Construction in progress	V.21	25,294	21,717
Investment properties	V.22	23,957	22,431
Deferred income tax assets	V.36	82,107	62,691
Other assets	V.23	205,455	201,430
Total assets		38,358,076	35,061,299

The accompanying notes form an integral part of these consolidated financial statements.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	As at 31 December	
		2025	2024
LIABILITIES			
Due to banks and other financial institutions	V.25	3,187,303	2,933,752
Due to central banks	V.26	1,734,055	1,112,016
Bank notes in circulation	V.27	230,111	217,415
Placements from banks and other financial institutions	V.28	553,686	607,201
Financial liabilities held for trading	V.29	79,717	57,604
Derivative financial liabilities	V.16	131,022	153,456
Due to customers	V.30	26,182,431	24,202,588
Bonds issued	V.31	2,294,688	2,056,549
Other borrowings	V.32	54,545	42,961
Current tax liabilities	V.33	32,609	29,021
Retirement benefit obligations	V.34	1,479	1,594
Deferred income tax liabilities	V.36	10,379	9,130
Other liabilities	V.37	657,927	685,048
Total liabilities		35,149,952	32,108,335
EQUITY			
Capital and reserves attributable to equity holders of the Bank			
Share capital	V.38.1	322,212	294,388
Other equity instruments	V.38.2	369,953	409,513
— Preference shares		99,969	119,550
— Perpetual bonds		269,984	289,963
Capital reserve	V.38.3	272,304	135,768
Other comprehensive income	V.12	59,834	95,268
Statutory reserves	V.39.1	302,179	279,006
General and regulatory reserves	V.39.2	455,118	414,638
Undistributed profits	V.39	1,282,444	1,187,650
		3,064,044	2,816,231
Non-controlling interests	V.40	144,080	136,733
Total equity		3,208,124	2,952,964
Total equity and liabilities		38,358,076	35,061,299

Approved and authorised for issue by the Board of Directors on 30 March 2026.

The accompanying notes form an integral part of these consolidated financial statements.

GE Haijiao
Director

ZHANG Hui
Director

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

Note	Attributable to equity holders of the Bank								Total		
	Share capital	Other equity instruments			Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves		Undistributed profits	Non-controlling interests
		Preference shares	Perpetual bonds								
As at 1 January 2025	294,388	119,550	289,963	135,768	95,268	279,006	414,638	1,187,650	136,733	2,952,964	
Total comprehensive income	-	-	-	-	(35,126)	-	-	243,021	13,445	221,340	
Issue of shares	27,824	-	-	137,128	-	-	-	-	-	164,952	
Capital contribution and reduction by other equity instruments holders	-	(19,581)	(19,979)	(676)	-	-	-	-	-	(40,236)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	91	91	
Capital contribution and reduction by non-controlling shareholders	-	-	-	13	-	-	-	-	2,690	2,703	
Appropriation to statutory reserves	-	-	-	-	-	23,173	-	(23,173)	-	-	
Appropriation to general and regulatory reserves	-	-	-	-	-	-	40,480	(40,480)	-	-	
Dividends	-	-	-	-	-	-	-	(84,882)	(8,907)	(93,789)	
Other comprehensive income transferred to retained earnings	-	-	-	-	(308)	-	-	308	-	-	
Other	-	-	-	71	-	-	-	-	28	99	
As at 31 December 2025	322,212	99,969	269,984	272,304	59,834	302,179	455,118	1,282,444	144,080	3,208,124	

The accompanying notes form an integral part of these consolidated financial statements.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

Note	Attributable to equity holders of the Bank								Total	
	Share capital	Other equity instruments			Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits		Non-controlling interests
		Preference shares	Perpetual bonds	Capital reserve						
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	-	-	-	-	60,295	-	-	237,841	15,876	314,012
Capital contribution and reduction by other equity instruments holders	-	-	10,008	(12)	-	-	-	-	-	9,996
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	690	690
Capital reduction by non-controlling shareholders	-	-	-	15	-	-	-	-	(54)	(39)
Appropriation to statutory reserves	-	-	-	-	-	22,277	-	(22,277)	-	-
Appropriation to general and regulatory reserves	-	-	-	-	-	-	35,353	(35,353)	-	-
Dividends	-	-	-	-	-	-	-	(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.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Cash flows from operating activities			
Profit before income tax		301,288	294,954
Adjustments:			
Impairment losses on assets		103,087	102,722
Depreciation of property and equipment and right-of-use assets		21,239	21,566
Amortisation of intangible assets and other assets		6,795	7,655
Net gains on disposals of property and equipment, intangible assets and other long-term assets		(1,947)	(2,635)
Net gains on disposals of investments in subsidiaries, associates and joint ventures		(807)	(13)
Share of results of associates and joint ventures		(1,132)	(675)
Interest income arising from financial investments		(234,580)	(217,128)
Dividends arising from investment securities		(572)	(559)
Net gains on financial investments		(13,759)	(10,356)
Interest expense arising from bonds issued		53,758	58,002
Accreted interest on impaired loans		(1,862)	(2,096)
Interest expense arising from lease liabilities		551	609
Net changes in operating assets and liabilities:			
Net (increase)/decrease in balances with central banks		(25,034)	52,038
Net (increase)/decrease in due from and placements with and loans to banks and other financial institutions		(89,857)	10,150
Net increase in precious metals		(126,078)	(82,640)
Net increase in loans and advances to customers		(1,930,152)	(1,688,167)
Net increase in other assets		(39,355)	(68,250)
Net increase in due to banks and other financial institutions		253,333	680,598
Net increase/(decrease) in due to central banks		621,291	(120,460)
Net (decrease)/increase in placements from banks and other financial institutions		(52,683)	119,587
Net increase in due to customers		1,977,210	1,232,937
Net increase in other borrowings		11,584	6,785
Net increase in other liabilities		30,015	230,321
Cash inflow from operating activities		862,333	624,945
Income tax paid		(50,303)	(73,979)
Net cash inflow from operating activities		812,030	550,966

The accompanying notes form an integral part of these consolidated financial statements.

BANK OF CHINA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Cash flows from investing activities			
Proceeds from disposals of property and equipment, intangible assets and other long-term assets		13,394	10,907
Proceeds from disposals of investments in subsidiaries, associates and joint ventures		3,507	23
Dividends received		1,281	1,244
Interest income received from financial investments		228,343	214,539
Proceeds from disposals/maturities of financial investments		4,930,548	4,802,831
Increase in investments in subsidiaries, associates and joint ventures		(2,259)	(1,130)
Purchase of property and equipment, intangible assets and other long-term assets		(51,273)	(27,236)
Purchase of financial investments		(6,195,501)	(5,809,699)
Other net cash flows from investing activities		–	2,535
Net cash outflow from investing activities		(1,071,960)	(805,986)
Cash flows from financing activities			
Proceeds from issuance of bonds		2,033,109	1,497,728
Proceeds from issuance of ordinary shares		164,952	–
Proceeds from issuance of other equity instruments		74,980	49,996
Proceeds from capital contribution by non-controlling shareholders		70	–
Repayments of debts issued		(1,812,634)	(1,263,876)
Cash payments for interest on bonds issued		(34,266)	(32,532)
Cash payments for redemption of other equity instruments		(112,486)	(40,000)
Dividend payments to ordinary shareholders		(94,403)	(69,593)
Dividend and interest payments to other equity instrument holders		(14,564)	(16,298)
Dividend payments to non-controlling shareholders		(8,888)	(7,094)
Other net cash flows from financing activities		(7,245)	(6,471)
Net cash inflow from financing activities		188,625	111,860
Effect of exchange rate changes on cash and cash equivalents		7,219	(4,636)
Net decrease in cash and cash equivalents		(64,086)	(147,796)
Cash and cash equivalents at beginning of year		2,368,929	2,516,725
Cash and cash equivalents at end of year	V.42	2,304,843	2,368,929
Net cash flows from operating activities include:			
Interest received		801,619	892,693
Interest paid		(503,677)	(505,806)

The accompanying notes form an integral part of these consolidated financial statements.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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 30 March 2026.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). 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 2025 relevant to and adopted by the Group

On 1 January 2025, the Group adopted the following amended IFRS Accounting Standard as issued by the IASB, which were mandatorily effective:

Amendments to IAS 21 *Lack of Exchangeability*

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.

The adoption of the above amended standard does not have any significant impact on the operating results, comprehensive income and financial position of the Group for the year ended 31 December 2025.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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*

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date has been deferred indefinitely

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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 IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time.

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. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Bank is a listed company, it is not eligible to elect to apply IFRS 19.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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 statement of profit or loss. 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.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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 statement of profit or loss. 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 profit or loss 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 statement of profit or loss.

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 statement of profit or loss, 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 statement of profit or loss.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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 statement of profit or loss.

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 statement of profit or loss 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 statement of profit or loss.

The effect of exchange rate changes on cash and cash equivalents is presented individually in the statement of cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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.

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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.

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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.

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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.

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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.

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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 statement of profit or loss.

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.

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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.

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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.

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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.

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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 statement of profit or loss.

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

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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 statement of profit or loss, 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 statement of profit or loss.

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 statement of profit or loss over the period to maturity.

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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 statement of profit or loss.

Amounts accumulated in equity are reclassified to the statement of profit or loss 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 statement of profit or loss. Gains and losses accumulated in equity are reclassified to the statement of profit or loss 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.

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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 statement of profit or loss.

These embedded derivatives separated from the host contract are measured at fair value with changes in fair value recognised in the statement of profit or loss.

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.

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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 statement of profit or loss.

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 statement of profit or loss 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, motor vehicles, aircraft and vessels. 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.

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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 statement of profit or loss 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 statement of profit or loss.

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, vessels and other leasing assets

Aircraft, vessels and other assets are mainly used in the Group's operating leasing business.

Aircraft, vessels and other leasing assets 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%.

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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 statement of profit or loss 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.

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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.

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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.

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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 statement of profit or loss 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 statement of profit or loss, 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, data resources, among others.

Computer software, data resources 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 statement of profit or loss.

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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.

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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.

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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 statement of profit or loss.

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.

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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.

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II SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

17 Interest income and expense

“Interest income” and “Interest expense” in the Group’s statement of profit or loss 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.

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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 statement of profit or loss 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.

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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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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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.

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**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' default and the resulting losses).

A number of significant judgements and estimates are required in applying the accounting requirements for measuring ECL, such as:

- segmentation of portfolios sharing similar credit risk characteristics for the purpose 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.

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**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.

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**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.

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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%

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS**1 Net interest income**

	Year ended 31 December	
	2025	2024
Interest income		
Loans and advances to customers	671,474	745,355
— Corporate loans and advances	451,528	490,175
— Personal loans	209,649	246,715
— Discounted bills	10,297	8,465
Financial investments	234,580	217,128
— Financial assets at fair value through other comprehensive income	125,769	112,004
— Financial assets at amortised cost	108,811	105,124
Due from and placements with and loans to banks and other financial institutions and central banks	94,853	109,056
Subtotal	<u>1,000,907</u>	<u>1,071,539</u>
Interest expense		
Due to customers	(403,892)	(457,486)
Due to and placements from banks and other financial institutions	(100,376)	(105,396)
Bonds issued and other	(55,934)	(59,723)
Subtotal	<u>(560,202)</u>	<u>(622,605)</u>
Net interest income	<u><u>440,705</u></u>	<u><u>448,934</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**2 Net fee and commission income**

	Year ended 31 December	
	2025	2024
Agency commissions	26,172	20,661
Settlement and clearing fees	17,153	16,812
Bank card fees	14,011	13,124
Credit commitment fees	9,334	10,191
Consultancy and advisory fees	8,419	8,370
Custodian and other fiduciary service fees	6,892	6,397
Spread income from foreign exchange business	5,576	5,800
Other	7,892	7,232
Fee and commission income	95,449	88,587
Fee and commission expense	(13,212)	(11,997)
Net fee and commission income	<u>82,237</u>	<u>76,590</u>

3 Net trading gains

	Year ended 31 December	
	2025	2024
Net gains from foreign exchange and foreign exchange products	22,517	12,626
Net gains from interest rate products	15,929	12,659
Net gains from fund investments and equity products	9,940	7,123
Net gains from commodity products	3,668	4,083
Total ⁽¹⁾	<u>52,054</u>	<u>36,491</u>

(1) Included in “Net trading gains” above for the year ended 31 December 2025 are losses of RMB512 million in relation to financial assets and financial liabilities designated as at fair value through profit or loss (2024: losses of RMB3,815 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**4 Net gains on transfers of financial assets**

	Year ended 31 December	
	2025	2024
Net gains on derecognition of financial assets at fair value through other comprehensive income	10,002	8,771
Net gains on derecognition of financial assets at amortised cost ⁽¹⁾	4,665	2,628
Total	<u>14,667</u>	<u>11,399</u>

(1) All the net gains on the derecognition of financial assets at amortised cost were result from disposals during the year ended 31 December 2025 and 2024.

5 Other operating income

	Year ended 31 December	
	2025	2024
Revenue from sales of precious metal products	30,589	20,115
Aircraft, vessels and other leasing income	13,767	13,168
Insurance revenue	14,683	13,675
Dividend income	5,278	4,817
Gains on disposals of property and equipment, intangible assets and other assets	2,182	2,737
Changes in fair value of investment properties (Note V.22)	(1,252)	(950)
Other ⁽¹⁾	4,956	5,795
Total	<u>70,203</u>	<u>59,357</u>

(1) For the year ended 31 December 2025, government subsidy income from operating activities, as part of other operating income, was RMB815 million (2024: RMB445 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**6 Operating expenses**

	Year ended 31 December	
	2025	2024
Staff costs (Note V.7)	115,830	113,424
General operating and administrative expenses ^{(1) (2)}	45,065	44,237
Depreciation and amortisation	22,375	23,601
Cost of sales of precious metal products	30,115	19,739
Insurance service expenses	10,861	11,015
Insurance finance expenses	15,511	7,078
Taxes and surcharges	6,307	6,210
Other	10,559	10,466
Total ^{(3) (4)}	256,623	235,770

(1) Included in the “General operating and administrative expenses” was external auditors’ remuneration of RMB190 million for 2025 (2024: RMB189 million), of which RMB82 million is for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions of the Group (2024: RMB86 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 RMB1,011 million for the year ended 31 December 2025 (2024: RMB1,192 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 RMB12,906 million for the year ended 31 December 2025 (2024: RMB13,733 million).

(4) Included in the “Operating expenses” was expenditure related to research and development activities of RMB290 million for the year ended 31 December 2025 (2024: RMB317 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**7 Staff costs**

	<u>Year ended 31 December</u>	
	2025	2024
Salary, bonus and subsidy	77,859	77,546
Staff welfare	5,675	5,541
Retirement benefits	22	55
Social insurance		
— Medical	5,832	5,679
— Pension	7,840	7,577
— Annuity	4,602	4,317
— Unemployment	301	284
— Injury at work	122	113
— Maternity insurance	122	123
Housing funds	6,082	5,729
Labour union fee and staff education fee	2,053	1,254
Reimbursement for cancellation of labour contract	96	123
Other	5,224	5,083
	<u>115,830</u>	<u>113,424</u>
Total	<u><u>115,830</u></u>	<u><u>113,424</u></u>

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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 2025

	Fees	Remuneration paid	Contributions to pension schemes	Benefits in kind	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>					
GE Haijiao ⁽²⁾⁽⁴⁾	–	686	142	101	929
ZHANG Hui ⁽²⁾⁽⁴⁾⁽⁵⁾	–	686	142	101	929
LIU Jin ⁽²⁾⁽⁴⁾⁽⁵⁾	–	566	123	92	781
CAI Zhao ⁽²⁾⁽⁴⁾⁽⁵⁾	–	617	134	101	852
<i>Non-executive directors</i>					
ZHANG Yong ⁽¹⁾	–	–	–	–	–
HUANG Binghua ⁽¹⁾	–	–	–	–	–
LIU Hui ⁽¹⁾	–	–	–	–	–
SHI Yongyan ⁽¹⁾	–	–	–	–	–
LOU Xiaohui ⁽¹⁾	–	–	–	–	–
LI Zimin ⁽¹⁾⁽⁵⁾	–	–	–	–	–
ZHANG Jiangang ⁽¹⁾⁽⁶⁾	–	–	–	–	–
<i>Independent directors</i>					
Jean-Louis EKRA	450	–	–	–	450
Giovanni TRIA	400	–	–	–	400
LIU Xiaolei	550	–	–	–	550
ZHANG Ran ⁽⁵⁾	261	–	–	–	261
Ko Margaret ⁽⁵⁾	188	–	–	–	188
Woo Chin Wan Raymond ⁽⁵⁾	60	–	–	–	60
Martin Cheung Kong LIAO ⁽⁶⁾	263	–	–	–	263
CHUI Sai Peng Jose ⁽⁶⁾	249	–	–	–	249
<i>Supervisors</i>					
WEI Hanguang ⁽³⁾⁽⁶⁾	38	–	–	–	38
JIA Xiangsen ⁽⁶⁾	219	–	–	–	219
HUI Ping ⁽⁶⁾	190	–	–	–	190
CHU Yiyun ⁽⁶⁾	190	–	–	–	190
	<u>3,058</u>	<u>2,555</u>	<u>541</u>	<u>395</u>	<u>6,549</u>

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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 2024

	Fees	Remuneration paid	Contributions to pension schemes	Benefits in kind	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive directors</i>					
GE Haijiao ⁽²⁾⁽⁴⁾	–	927	139	98	1,164
ZHANG Hui ⁽²⁾⁽⁴⁾⁽⁵⁾	–	77	12	8	97
LIU Jin ^{*(2)(4)(7)}	–	615	92	65	772
ZHANG Yi ⁽²⁾⁽⁴⁾	–	278	43	32	353
<i>Non-executive directors</i>					
ZHANG Yong ⁽¹⁾	–	–	–	–	–
ZHANG Jiangang ⁽¹⁾⁽⁶⁾	–	–	–	–	–
HUANG Binghua ⁽¹⁾	–	–	–	–	–
LIU Hui ⁽¹⁾	–	–	–	–	–
SHI Yongyan ⁽¹⁾	–	–	–	–	–
LOU Xiaohui ⁽¹⁾	–	–	–	–	–
<i>Independent directors</i>					
Martin Cheung Kong LIAO ⁽⁶⁾	450	–	–	–	450
CHUI Sai Peng Jose ⁽⁶⁾	500	–	–	–	500
Jean-Louis EKRA	450	–	–	–	450
Giovanni TRIA	400	–	–	–	400
LIU Xiaolei	458	–	–	–	458
JIANG Guohua	–	–	–	–	–
E Weinan	179	–	–	–	179
<i>Supervisors</i>					
WEI Hanguang ⁽³⁾⁽⁶⁾	50	–	–	–	50
JIA Xiangsen ⁽⁶⁾	292	–	–	–	292
HUI Ping ⁽⁶⁾	260	–	–	–	260
CHU Yiyun ⁽⁶⁾	260	–	–	–	260
ZHANG Keqiu ⁽⁴⁾	–	154	23	16	193
ZHOU Hehua ⁽³⁾	42	–	–	–	42
	<u>3,341</u>	<u>2,051</u>	<u>309</u>	<u>219</u>	<u>5,920</u>

BANK OF CHINA LIMITED

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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 2025 and 2024, these non-executive directors of the Bank were not remunerated by the Bank.
- (2) For the years ended 31 December 2025 and 2024, 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 for the year ended 31 December 2025 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 2025 financial statements. The final compensation for the year ended 31 December 2025 will be disclosed in a separate announcement when determined.

The compensation amounts for these directors and certain supervisors for the year ended 31 December 2024 were restated based on the finalised amounts as disclosed in the Bank's announcement on resolutions of the Board of Directors dated 19 December 2025.

- (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. LIU Jin began to serve as Executive director of the Bank as of 3 June 2025. CAI Zhao began to serve as Executive director of the Bank as of 3 December 2025. LI Zimin began to serve as Non-executive director of the Bank as of 11 March 2025. ZHANG Ran began to serve as Independent director of the Bank as of 3 April 2025. Ko Margaret began to serve as Independent director of the Bank as of 1 August 2025. Woo Chin Wan Raymond began to serve as Independent director of the Bank as of 7 November 2025.
- (6) ZHANG Jiangang ceased to serve as Non-executive director of the Bank as of 30 June 2025. Martin Cheung Kong LIAO ceased to serve as Independent director of the Bank as of 1 August 2025. CHUI Sai Peng Jose ceased to serve as Independent director of the Bank as of 30 June 2025. WEI Hanguang ceased to serve as Employee Supervisor as of 23 September 2025. JIA Xiangsen, HUI Ping, CHU Yiyun ceased to serve as External Supervisor of the Bank as of 23 September 2025.
- (7) Former Vice Chairman and President from June 2021 to August 2024. Hereinafter referred to as LIU Jin* in this report.

BANK OF CHINA LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 2025 and 2024 are as follows:

	Year ended 31 December	
	2025	2024
Basic salaries and allowances	23	16
Discretionary bonuses	36	46
Contributions to pension schemes and other	1	3
	<u>60</u>	<u>65</u>

Emoluments of the individuals were within the following bands:

Amounts in RMB	Year ended 31 December	
	2025	2024
8,000,001-10,000,000	2	1
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	1	–
	<u>1</u>	<u>–</u>

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 2025 and 2024, 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**9 Credit impairment losses**

	Year ended 31 December	
	2025	2024
Loans and advances		
— Loans and advances at amortised cost	107,156	120,825
— Loans and advances at fair value through other comprehensive income	29	36
Subtotal	107,185	120,861
Financial investments		
— Financial assets at amortised cost	293	(1,131)
— Financial assets at fair value through other comprehensive income	(1,661)	(2,012)
Subtotal	(1,368)	(3,143)
Credit commitments	(1,460)	(13,539)
Other	(2,353)	(1,716)
Total	<u>102,004</u>	<u>102,463</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**10 Income tax expense**

	Year ended 31 December	
	2025	2024
Current income tax		
— Chinese mainland income tax	37,121	30,373
— Hong Kong (China) profits tax	8,223	6,727
— Macao (China), Taiwan (China) and other countries and regions taxation	6,242	5,986
Subtotal	51,586	43,086
Deferred income tax (Note V.36.3)	(8,234)	(851)
Total	<u>43,352</u>	<u>42,235</u>

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.

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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	
	2025	2024
Profit before income tax	301,288	294,954
Tax calculated at the basic Chinese mainland tax rate	75,322	73,739
Effect of different tax rates for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	(5,146)	(5,100)
Supplementary PRC tax on overseas income	4,415	2,846
Income not subject to tax ⁽¹⁾	(41,395)	(35,737)
Items not deductible for tax purposes ⁽²⁾	10,408	6,811
Other	(252)	(324)
Income tax expense	<u>43,352</u>	<u>42,235</u>

(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.

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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 2025, Chinese mainland has not legislated Pillar Two. Pillar Two legislation has been officially enacted in some countries where the Group operates, which has 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 2025, the implementation of Pillar Two has no significant impact on the Group’s consolidated financial statements.

BANK OF CHINA LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 2025 and 2024.

	Year ended 31 December	
	2025	2024
Profit attributable to equity holders of the Bank	243,021	237,841
Less: dividends/interest on preference shares/perpetual bonds declared	<u>(13,834)</u>	<u>(16,300)</u>
Profit attributable to ordinary shareholders of the Bank	229,187	221,541
Weighted average number of ordinary shares in issue (in million shares)	<u>309,482</u>	<u>294,388</u>
Basic and diluted earnings per share (in RMB)	<u><u>0.74</u></u>	<u><u>0.75</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

12 Other comprehensive income

	Year ended 31 December	
	2025	2024
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	7	(11)
Changes in fair value on equity instruments designated at fair value through other comprehensive income	1,329	6,797
Less: related income tax impact	(172)	(1,621)
Other	(22)	48
	<u>1,142</u>	<u>5,213</u>
Subtotal		
Items that may be reclassified to profit or loss		
Changes in fair value on debt instruments measured at fair value through other comprehensive income	(30,014)	85,629
Less: related income tax impact	7,216	(20,148)
Amount transferred to the statement of profit or loss	(10,002)	(8,771)
Less: related income tax impact	2,547	2,003
	<u>(30,253)</u>	<u>58,713</u>
Allowance for credit losses on debt instruments measured at fair value through other comprehensive income	(1,910)	(1,999)
Less: related income tax impact	415	498
	<u>(1,495)</u>	<u>(1,501)</u>
Finance income/(expenses) from insurance contracts issued	417	(10,834)
Less: related income tax impact	(176)	3,587
	<u>241</u>	<u>(7,247)</u>
Exchange differences from the translation of foreign operations	(6,395)	5,610
Other	164	505
	<u>(37,738)</u>	<u>56,080</u>
Subtotal		
Total	<u><u>(36,596)</u></u>	<u><u>61,293</u></u>

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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/(losses) on financial assets at fair value through other comprehensive income	Exchange differences from the translation of foreign operations	Other	Total
As at 1 January 2024	31,315	(497)	3,901	34,719
Changes for the year	<u>60,993</u>	<u>3,315</u>	<u>(3,759)</u>	<u>60,549</u>
As at 31 December 2024 and 1 January 2025	92,308	2,818	142	95,268
Changes for the year	<u>(32,033)</u>	<u>(3,561)</u>	<u>160</u>	<u>(35,434)</u>
As at 31 December 2025	<u><u>60,275</u></u>	<u><u>(743)</u></u>	<u><u>302</u></u>	<u><u>59,834</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**13 Cash and due from banks and other financial institutions**

	As at 31 December	
	2025	2024
Cash	70,055	69,157
Due from banks in Chinese mainland	283,281	287,480
Due from other financial institutions in Chinese mainland	21,579	29,649
Due from banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	196,287	188,842
Due from other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	4,561	6,977
Subtotal ⁽¹⁾	505,708	512,948
Accrued interest	1,938	1,471
Less: allowance for impairment losses ⁽¹⁾	(156)	(1,128)
Subtotal due from banks and other financial institutions	507,490	513,291
Total	<u>577,545</u>	<u>582,448</u>

(1) As at 31 December 2025 and 2024, 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**14 Balances with central banks**

	As at 31 December	
	2025	2024
Mandatory reserves ⁽¹⁾	1,585,067	1,546,954
Surplus reserves and others ⁽²⁾	880,818	921,236
Subtotal	2,465,885	2,468,190
Accrued interest	1,219	1,288
Less: allowance for impairment losses	–	(1,621)
Total	<u>2,467,104</u>	<u>2,467,857</u>

(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 2025, mandatory reserve funds placed with the PBOC were calculated at 7.5% (31 December 2024: 8.0%) and 4.0% (31 December 2024: 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

15 Placements with and loans to banks and other financial institutions

	As at 31 December	
	2025	2024
Placements with and loans to:		
Banks in Chinese mainland	149,464	297,508
Other financial institutions in Chinese mainland	697,872	704,066
Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	576,343	393,891
Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	70,360	42,335
Subtotal ^{(1) (2) (3) (4)}	1,494,039	1,437,800
Accrued interest	5,317	5,491
Less: allowance for impairment losses ⁽⁴⁾	(929)	(1,219)
Total	<u>1,498,427</u>	<u>1,442,072</u>

(1) As at 31 December 2025, 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 RMB80,534 million (31 December 2024: RMB17,654 million).

(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 2025, the carrying amount of the above-mentioned financial assets of the Group was RMB13,730 million (31 December 2024: RMB6,864 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	
	2025	2024
Debt securities		
— Governments	297,522	286,941
— Policy banks	174,842	212,778
— Financial institutions	45,957	29,381
— Corporates	258	265
Subtotal	518,579	529,365
Less: allowance for impairment losses	(261)	(306)
Total	<u>518,318</u>	<u>529,059</u>

(4) As at 31 December 2025 and 2024, 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 2025			As at 31 December 2024		
	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	11,531,821	85,030	(67,648)	10,092,498	121,497	(90,258)
Currency options	1,096,686	3,065	(4,208)	1,083,910	6,130	(7,524)
Currency futures	3,226	3	(9)	3,168	24	(15)
Subtotal	12,631,733	88,098	(71,865)	11,179,576	127,651	(97,797)
Interest rate derivatives						
Interest rate swaps	8,831,200	33,192	(32,193)	6,486,975	49,398	(45,908)
Interest rate options	14,157	97	(97)	9,873	115	(114)
Interest rate futures	113,055	24	(7)	65,981	25	(195)
Subtotal	8,958,412	33,313	(32,297)	6,562,829	49,538	(46,217)
Equity derivatives	17,673	134	(222)	8,394	22	(83)
Commodity derivatives and other	443,060	11,296	(26,638)	386,629	5,966	(9,359)
Total ⁽¹⁾	<u>22,050,878</u>	<u>132,841</u>	<u>(131,022)</u>	<u>18,137,428</u>	<u>183,177</u>	<u>(153,456)</u>

(1) Derivative financial instruments include those designated as hedging instruments by the Group.

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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			Line item in the statement of financial position
	Contractual/ Notional amount	Fair value		
		Assets	Liabilities	
As at 31 December 2025				
Interest rate risk				
Interest rate swaps	66,338	1,585	(369)	Derivative financial assets/ liabilities
Foreign exchange and interest rate risk				
Cross-currency interest rate swaps	1,040	–	(26)	Derivative financial liabilities
Total	67,378	1,585	(395)	

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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			Line item in the statement of financial position
	Contractual/ Notional amount	Fair value		
		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	<u>83,133</u>	<u>3,403</u>	<u>(91)</u>	

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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					Total
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
As at 31 December 2025						
Interest rate risk						
Interest rate swaps						
Notional amount	1,021	1,635	12,955	38,446	12,281	66,338
Average fixed interest rate	4.26%	3.75%	2.82%	3.46%	3.71%	N/A
Foreign exchange and interest rate risk						
Cross-currency interest rate swaps						
Notional amount	1,040	–	–	–	–	1,040
Average fixed interest rate	4.86%	–	–	–	–	N/A
Average exchange rate of AUD/USD	<u>0.6766</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>N/A</u>

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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					Total
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
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

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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				Line item in the statement of financial position
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		
	Assets	Liabilities	Assets	Liabilities	
As at 31 December 2025					
Interest rate risk					
Loans and advances to customers, net	2,568	–	277	–	Loans and advances to customers, net
Financial investments	61,200	–	(765)	–	Financial investments
Bonds issued	–	(1,932)	–	(2)	Bonds issued
Foreign exchange and interest rate risk					
Bonds issued	–	(1,053)	–	(25)	Bonds issued
Total	63,768	(2,985)	(488)	(27)	
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)	

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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:

	<u>Year ended 31 December</u>	
	2025	2024
Net gains/(losses) on		
— hedging instruments	(1,485)	(615)
— hedged items	<u>1,500</u>	<u>609</u>
Ineffectiveness recognised in net trading gains	<u><u>15</u></u>	<u><u>(6)</u></u>

(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 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 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 2025 (2024: Nil).

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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 used in the Group's net investment hedging strategies:

As at 31 December 2025, the carrying value of such due to customers amounted to RMB621 million (31 December 2024: RMB10,267 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			Line item in the statement of financial position
	Contractual/ Notional amount	Fair value		
		Assets	Liabilities	
As at 31 December 2025				
Foreign exchange forward and swap contracts	686	–	(67)	Derivative financial liabilities
Total	<u>686</u>	<u>–</u>	<u>(67)</u>	
As at 31 December 2024				
Foreign exchange forward and swap contracts	9,826	430	(8)	Derivative financial assets/liabilities
Total	<u>9,826</u>	<u>430</u>	<u>(8)</u>	

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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					Total
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
As at 31 December 2025						
Foreign exchange risk						
Foreign exchange forward and swap contracts						
Notional amount	686	–	–	–	–	686
Average exchange rate of USD/CLP	<u>999.4089</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>N/A</u>

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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					Total
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
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

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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	
	2025	2024
Amounts of fair value changes on hedging instruments recognised in "Other comprehensive income"	2,570	2,881
Amounts of forward element reclassified from "Other comprehensive income" to profit or loss	134	499
Net amounts of fair value changes on hedging instruments recognised in "Other comprehensive income"	<u>2,704</u>	<u>3,380</u>

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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

	<u>As at 31 December</u>	
	2025	2024
Measured at amortised cost		
— Corporate loans and advances	15,338,784	13,803,377
— Personal loans	6,825,203	6,825,036
— Discounted bills	8,635	10,726
Measured at fair value through other comprehensive income ⁽¹⁾		
— Corporate loans and advances	4,614	2,003
— Discounted bills	1,227,469	898,819
Subtotal	23,404,705	21,539,961
Measured at fair value through profit or loss ⁽²⁾		
— Corporate loans and advances	2,731	3,535
— Discounted bills	78	89
Total	23,407,514	21,543,585
Accrued interest	45,978	50,483
Total loans and advances	23,453,492	21,594,068
Less: allowance for loans at amortised cost	(576,723)	(538,786)
Loans and advances to customers, net	<u>22,876,769</u>	<u>21,055,282</u>

(1) As at 31 December 2025, the allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income of the Group amounted to RMB421 million (31 December 2024: RMB391 million) and was credited to other comprehensive income.

(2) During the years ended 31 December 2025 and 2024, 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.

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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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
As at 1 January	243,069	109,186	186,531	538,786
Transfers to Stage 1	12,752	(10,750)	(2,002)	–
Transfers to Stage 2	(5,410)	9,705	(4,295)	–
Transfers to Stage 3	(1,214)	(23,011)	24,225	–
Impairment (reversal)/losses of loans with stage transfers	(11,967)	28,912	69,639	86,584
Charge for the year ⁽ⁱ⁾	114,156	28,600	22,026	164,782
Reversal for the year ⁽ⁱⁱⁱ⁾	(100,443)	(24,004)	(19,763)	(144,210)
Write-off and transfer out	–	–	(85,275)	(85,275)
Recovery of loans and advances written off	–	–	19,834	19,834
Foreign exchange and other movements	126	13	(3,917)	(3,778)
As at 31 December	<u>251,069</u>	<u>118,651</u>	<u>207,003</u>	<u>576,723</u>

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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 2024			Total
	12-month ECL	Lifetime ECL		
	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	<u>243,069</u>	<u>109,186</u>	<u>186,531</u>	<u>538,786</u>

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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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
As at 1 January	391	–	–	391
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⁾	484	–	–	484
Reversal for the year ⁽ⁱⁱ⁾	(455)	–	–	(455)
Foreign exchange and other movements	1	–	–	1
As at 31 December	<u>421</u>	<u>–</u>	<u>–</u>	<u>421</u>

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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 2024			Total
	12-month ECL	Lifetime ECL		
	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	<u>391</u>	<u>–</u>	<u>–</u>	<u>391</u>

(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.

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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 2025, 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 RMB207,507 million (2024: RMB222,695 million) were transferred from Stage 1 to Stage 2 and Stage 3, and the impairment allowance increased correspondingly by RMB64,926 million (2024: RMB75,391 million). The gross carrying amount of loans transferred from Stage 2 to Stage 3 was RMB64,599 million (2024: RMB49,097 million), with a corresponding increase in impairment allowance of RMB24,997 million (2024: RMB19,741 million). The gross carrying amount of loans transferred from Stage 2 to Stage 1 was RMB33,027 million (2024: RMB29,240 million), and the impairment allowance decreased correspondingly by RMB7,330 million (2024: RMB5,937 million). The gross carrying amount of loans transferred from Stage 3 to Stage 2 and Stage 1 was RMB7,127 million (2024: RMB12,592 million), and the impairment allowance decreased correspondingly by RMB2,674 million (2024: RMB3,881 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 RMB46,628 million (2024: RMB54,370 million), resulting in a corresponding reduction of RMB38,245 million (2024: RMB49,119 million) in impairment allowance for Stage 3 loans.
- Through personal loan securitisation, the domestic branches transferred out loans of RMB38,988 million (2024: RMB20,083 million), resulting in a decrease of RMB28,678 million in the impairment allowance for Stage 3 loans (2024: RMB14,902 million in the impairment allowance for Stage 3 loans).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments

	As at 31 December	
	2025	2024
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	43,473	33,243
— Public sectors and quasi-governments	2,729	251
— Policy banks	46,959	28,098
— Financial institutions	175,078	155,728
— Corporate	8,481	8,127
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	99,447	67,793
— Public sectors and quasi-governments	5,874	1,557
— Financial institutions	40,375	20,547
— Corporate	15,273	11,209
	<u>437,689</u>	<u>326,553</u>
Equity instruments	121,356	124,604
Fund investments and other	<u>136,286</u>	<u>103,720</u>
Total financial assets held for trading and other financial assets at fair value through profit or loss	<u>695,331</u>	<u>554,877</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments (Continued)

	As at 31 December	
	2025	2024
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	7,028	6,442
— Policy banks	89	88
— Financial institutions	4,448	1,235
— Corporate	1,626	1,531
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	8,625	3,202
— Public sectors and quasi-governments	4,119	1,104
— Financial institutions	12,488	8,575
— Corporate	23,959	23,243
Total financial assets at fair value through profit or loss (designated)	<u>62,382</u>	<u>45,420</u>
Total financial assets at fair value through profit or loss	<u>757,713</u>	<u>600,297</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments (Continued)

	As at 31 December	
	2025	2024
Financial assets at fair value through other comprehensive income		
Debt securities		
Issuers in Chinese mainland		
— Government	1,697,869	1,783,568
— Public sectors and quasi-governments	80,971	82,687
— Policy banks	599,833	643,129
— Financial institutions	313,022	306,201
— Corporate	217,127	188,358
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	988,907	876,794
— Public sectors and quasi-governments	384,092	179,756
— Financial institutions	202,647	187,081
— Corporate	92,517	97,346
	<u>4,576,985</u>	<u>4,344,920</u>
Equity instruments and other ⁽²⁾	<u>53,829</u>	<u>44,025</u>
Total financial assets at fair value through other comprehensive income ⁽³⁾	<u>4,630,814</u>	<u>4,388,945</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments (Continued)

	As at 31 December	
	2025	2024
Financial assets at amortised cost		
Debt securities		
Issuers in Chinese mainland		
— Government ^{(4) (5)}	3,093,614	2,487,884
— Public sectors and quasi-governments	67,536	73,569
— Policy banks	311,897	188,892
— Financial institutions	106,394	36,475
— Corporate	87,147	7,427
— China Orient ⁽⁶⁾	152,433	152,433
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	187,347	177,541
— Public sectors and quasi-governments	168,178	115,994
— Financial institutions	36,954	72,700
— Corporate	10,433	10,418
	<u>4,221,933</u>	<u>3,323,333</u>
Investment trusts, asset management plans and other	20,157	24,642
Accrued interest	37,344	32,124
Less: allowance for impairment losses	<u>(8,351)</u>	<u>(9,064)</u>
Total financial assets at amortised cost	<u>4,271,083</u>	<u>3,371,035</u>
Total financial investments ^{(7) (8) (9)}	<u><u>9,659,610</u></u>	<u><u>8,360,277</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments (Continued)

	As at 31 December	
	2025	2024
Analysed as follows:		
Financial assets at fair value through profit or loss		
— Listed in Hong Kong, China	71,040	40,263
— Listed outside Hong Kong, China ⁽¹⁰⁾	370,087	286,381
— Unlisted	316,586	273,653
Financial assets at fair value through other comprehensive income		
Debt securities		
— Listed in Hong Kong, China	140,984	148,266
— Listed outside Hong Kong, China ⁽¹⁰⁾	3,456,511	3,353,837
— Unlisted	979,490	842,817
Equity instruments and other		
— Listed in Hong Kong, China	6,499	5,879
— Listed outside Hong Kong, China ⁽¹⁰⁾	16,215	14,625
— Unlisted	31,115	23,521
Financial assets at amortised cost		
— Listed in Hong Kong, China	18,869	19,035
— Listed outside Hong Kong, China ⁽¹⁰⁾	3,915,810	3,046,737
— Unlisted	336,404	305,263
Total	<u>9,659,610</u>	<u>8,360,277</u>
Listed in Hong Kong, China	237,392	213,443
Listed outside Hong Kong, China ⁽¹⁰⁾	7,758,623	6,701,580
Unlisted	<u>1,663,595</u>	<u>1,445,254</u>
Total	<u>9,659,610</u>	<u>8,360,277</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

18 Financial investments (Continued)

	As at 31 December			
	2025		2024	
	Carrying value	Market value	Carrying value	Market value
Debt securities at amortised cost				
— Listed in Hong Kong, China	18,869	18,915	19,035	18,646
— Listed outside Hong Kong, China ⁽¹⁰⁾	<u>3,915,810</u>	<u>4,080,094</u>	<u>3,046,737</u>	<u>3,280,381</u>

- (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 2025, dividend income from such equity investments was RMB572 million (2024: RMB559 million). In 2025, the value of equity investments disposed of was RMB4,871 million (2024: RMB1,129 million) and the cumulative gains transferred into undistributed profits from other comprehensive income after disposal was RMB308 million (2024: cumulative losses of RMB254 million).
- (3) The Group's accumulated impairment allowance for the debt securities at fair value through other comprehensive income as at 31 December 2025 amounted to RMB3,865 million (31 December 2024: RMB5,806 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 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 balance of these bonds held by the Bank as at 31 December 2025 amounted to RMB932 million (31 December 2024: RMB966 million).

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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. On 1 July 2000, China Orient issued a ten-year bond (“Orient Bond”) with a par value of RMB160,000 million and interest rate of 2.25% to the Bank as consideration. In 2010, the maturity of this bond was extended to 30 June 2020. In 2020, the maturity of the Orient Bond was extended to 30 June 2025. In 2025, the Bank received a notice from the MOF that the maturity of the Orient Bond was further extended to 31 December 2035. The MOF shall continue to provide funding support for the principal and interest of the Orient Bond. Pursuant to the requirements of the MOF, 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 2025, the Bank had received early repayments of principal amounting to RMB7,567 million cumulatively.
- (7) As at 31 December 2025, 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	
	2025	2024
Carrying value (accrued interest excluded)	1,558,493	1,390,291
Coupon rate range	<u>0.00%-5.31%</u>	<u>0.00%-5.31%</u>

- (8) Included in the Group’s financial investments were certificates of deposit held amounting to RMB289,555 million as at 31 December 2025 (31 December 2024: RMB267,834 million).
- (9) As at 31 December 2025, RMB2,938 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 2024: RMB4,021 million), with an impairment allowance of RMB2,696 million (31 December 2024: RMB3,446 million); RMB3,431 million of debt securities was included under Stage 2 (31 December 2024: RMB7,164 million), with an impairment allowance of RMB605 million (31 December 2024: RMB110 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)”.

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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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
As at 1 January	1,638	52	7,374	9,064
Transfers to Stage 2	–	–	–	–
Impairment losses with stage transfers	–	400	–	400
Impairment (reversal)/losses during the year	(423)	(8)	324	(107)
Write-off and transfer out	–	–	(942)	(942)
Foreign exchange and other movements	(41)	2	(25)	(64)
	<u>1,174</u>	<u>446</u>	<u>6,731</u>	<u>8,351</u>
As at 31 December	<u>1,174</u>	<u>446</u>	<u>6,731</u>	<u>8,351</u>
	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
	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 with 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
	<u>1,638</u>	<u>52</u>	<u>7,374</u>	<u>9,064</u>
As at 31 December	<u>1,638</u>	<u>52</u>	<u>7,374</u>	<u>9,064</u>

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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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
As at 1 January	5,450	58	300	5,808
Transfers to Stage 1	26	(26)	–	–
Transfers to Stage 2	(33)	33	–	–
Impairment (reversal)/losses with stage transfers	(12)	525	–	513
Impairment reversal during the year	(2,108)	(29)	(37)	(2,174)
Write-off and transfer out	–	–	(263)	(263)
Foreign exchange and other movements	(16)	–	–	(16)
As at 31 December	<u>3,307</u>	<u>561</u>	<u>–</u>	<u>3,868</u>

	Year ended 31 December 2024			Total
	12-month ECL	Lifetime ECL		
	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 with 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	<u>5,450</u>	<u>58</u>	<u>300</u>	<u>5,808</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**19 Investment in associates and joint ventures**

	Year ended 31 December	
	2025	2024
As at 1 January	40,972	39,550
Additions	2,292	1,130
Disposals and transfer out	(1,411)	(10)
Share of results, net of tax	1,132	675
Dividends received	(709)	(685)
Other	(1,202)	312
	<u>41,074</u>	<u>40,972</u>
As at 31 December	<u>41,074</u>	<u>40,972</u>

The carrying amounts of major investments in associates and joint ventures of the Group are as follows. Further details are disclosed in Note V.43.6.

	As at 31 December	
	2025	2024
China Insurance Investment Fund Co., Ltd.	12,492	12,342
BOC International (China) Co., Ltd.	6,332	6,026
National Green Development Fund	4,908	2,894
Ying Kou Port Group CORP.	2,678	3,803
CGN Phase I Private Equity Fund Company Limited	2,066	2,025
Shanghai Chenggang Real Estate Co., Ltd.	1,772	1,788
Sichuan Lutianhua Co., Ltd.	1,348	1,511
Graceful Field Worldwide Limited	1,224	1,305
Guomin Pension & Insurance Co., Ltd.	1,175	1,104
Jilin Zhongze Haorong Group Co., Ltd.	862	712
Other	6,217	7,462
	<u>41,074</u>	<u>40,972</u>
Total	<u>41,074</u>	<u>40,972</u>

As at 31 December 2025, there were no restrictions on associates and joint ventures to transfer funds to the Group.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

20 Property and equipment

	Year ended 31 December 2025			
	Buildings	Equipment and motor vehicles	Aircraft, vessels and others	Total
Cost				
As at 1 January	134,475	77,772	166,961	379,208
Additions	442	6,338	21,789	28,569
Transfer from investment properties (Note V.22)	715	–	–	715
Construction in progress transfer in (Note V.21)	2,550	561	4,050	7,161
Deductions	(929)	(6,182)	(14,717)	(21,828)
Exchange differences	(315)	(115)	(4,088)	(4,518)
As at 31 December	<u>136,938</u>	<u>78,374</u>	<u>173,995</u>	<u>389,307</u>
Accumulated depreciation				
As at 1 January	(55,728)	(62,961)	(31,826)	(150,515)
Additions	(4,217)	(5,292)	(5,659)	(15,168)
Deductions	371	5,953	4,935	11,259
Transfer to investment properties (Note V.22)	46	–	–	46
Exchange differences	92	108	856	1,056
As at 31 December	<u>(59,436)</u>	<u>(62,192)</u>	<u>(31,694)</u>	<u>(153,322)</u>
Allowance for impairment losses				
As at 1 January	(715)	–	(4,073)	(4,788)
Additions	–	–	–	–
Deductions	21	–	643	664
Exchange differences	(7)	–	101	94
As at 31 December	<u>(701)</u>	<u>–</u>	<u>(3,329)</u>	<u>(4,030)</u>
Net book value				
As at 1 January	<u>78,032</u>	<u>14,811</u>	<u>131,062</u>	<u>223,905</u>
As at 31 December	<u>76,801</u>	<u>16,182</u>	<u>138,972</u>	<u>231,955</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

20 Property and equipment (Continued)

	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	<u>134,475</u>	<u>77,772</u>	<u>166,961</u>	<u>379,208</u>
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	<u>(55,728)</u>	<u>(62,961)</u>	<u>(31,826)</u>	<u>(150,515)</u>
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	<u>(715)</u>	<u>–</u>	<u>(4,073)</u>	<u>(4,788)</u>
Net book value				
As at 1 January	<u>77,946</u>	<u>14,584</u>	<u>134,605</u>	<u>227,135</u>
As at 31 December	<u>78,032</u>	<u>14,811</u>	<u>131,062</u>	<u>223,905</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**20 Property and equipment (Continued)**

As at 31 December 2025, the net book amount of aircraft, vessels and other leasing assets under operating leases was RMB138,749 million (31 December 2024: RMB130,144 million).

As at 31 December 2025, the net book amount of aircraft owned by BOC Aviation Limited, a subsidiary of the Group, that has been pledged for loan facilities was RMB620 million (31 December 2024: RMB660 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 2025, 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	
	2025	2024
Held in Hong Kong, China		
on long-term lease (over 50 years)	4,421	4,919
on medium-term lease (10-50 years)	9,076	8,808
Subtotal	13,497	13,727
Held outside Hong Kong, China		
on long-term lease (over 50 years)	5,185	6,019
on medium-term lease (10-50 years)	50,584	49,127
on short-term lease (less than 10 years)	7,535	9,159
Subtotal	63,304	64,305
Total	76,801	78,032

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

21 Construction in progress

	Year ended 31 December	
	2025	2024
Cost		
As at 1 January	21,923	20,554
Additions	13,414	7,876
Transfer to property and equipment (Note V.20)	(7,161)	(6,415)
Deductions	(2,286)	(373)
Exchange differences	(390)	281
	<u>25,500</u>	<u>21,923</u>
Allowance for impairment losses		
As at 1 January	(206)	(208)
Additions	–	–
Deductions	–	2
Exchange differences	–	–
	<u>(206)</u>	<u>(206)</u>
Net book value		
As at 1 January	<u>21,717</u>	<u>20,346</u>
As at 31 December	<u>25,294</u>	<u>21,717</u>

22 Investment properties

	Year ended 31 December	
	2025	2024
As at 1 January	22,431	22,704
Additions	3,775	506
Transfer to property and equipment, net (Note V.20)	(761)	(140)
Deductions	–	(36)
Fair value changes (Note V.5)	(1,252)	(950)
Exchange differences	(236)	347
	<u>23,957</u>	<u>22,431</u>

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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 2025 amounted to RMB8,192 million and RMB13,006 million, respectively (31 December 2024: RMB9,688 million and RMB9,984 million). The valuations of these investment properties as at 31 December 2025 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	
	2025	2024
Held in Hong Kong, China		
on long-term lease (over 50 years)	2,709	2,863
on medium-term lease (10-50 years)	5,281	6,860
Subtotal	<u>7,990</u>	<u>9,723</u>
Held outside Hong Kong, China		
on long-term lease (over 50 years)	5,981	5,874
on medium-term lease (10-50 years)	8,815	5,662
on short-term lease (less than 10 years)	1,171	1,172
Subtotal	<u>15,967</u>	<u>12,708</u>
Total	<u><u>23,957</u></u>	<u><u>22,431</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

23 Other assets

	As at 31 December	
	2025	2024
Accounts receivable and prepayments ⁽¹⁾	83,342	78,173
Insurance contract assets	33,953	35,906
Right-of-use assets ⁽²⁾	18,610	18,480
Intangible assets ⁽³⁾	26,417	22,996
Land use rights ⁽⁴⁾	5,935	6,185
Long-term deferred expense	3,204	3,407
Repossessed assets ⁽⁵⁾	1,839	2,177
Goodwill ⁽⁶⁾	2,757	2,828
Interest receivable	2,403	1,792
Other	26,995	29,486
	<u>205,455</u>	<u>201,430</u>
Total	<u>205,455</u>	<u>201,430</u>

(1) Accounts receivable and prepayments

	As at 31 December	
	2025	2024
Accounts receivable and prepayments	85,687	81,244
Impairment allowance	(2,345)	(3,071)
	<u>83,342</u>	<u>78,173</u>
Net value	<u>83,342</u>	<u>78,173</u>

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			
	2025		2024	
	Balance	Impairment allowance	Balance	Impairment allowance
Within 1 year	80,070	(600)	76,307	(446)
Between 1 year to 3 years	3,473	(678)	2,123	(405)
Over 3 years	2,144	(1,067)	2,814	(2,220)
	<u>85,687</u>	<u>(2,345)</u>	<u>81,244</u>	<u>(3,071)</u>
Total	<u>85,687</u>	<u>(2,345)</u>	<u>81,244</u>	<u>(3,071)</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

23 Other assets (Continued)

(2) Right-of-use assets

	Year ended 31 December					
	2025			2024		
	Buildings	Motor vehicles and other	Total	Buildings	Motor vehicles and other	Total
Cost						
As at 1 January	39,261	433	39,694	39,046	469	39,515
Additions	8,911	244	9,155	7,599	53	7,652
Deductions	(9,882)	(306)	(10,188)	(7,345)	(87)	(7,432)
Exchange differences	27	–	27	(39)	(2)	(41)
As at 31 December	<u>38,317</u>	<u>371</u>	<u>38,688</u>	<u>39,261</u>	<u>433</u>	<u>39,694</u>
Accumulated depreciation						
As at 1 January	(20,902)	(312)	(21,214)	(20,260)	(297)	(20,557)
Additions	(6,119)	(140)	(6,259)	(6,219)	(98)	(6,317)
Deductions	7,111	281	7,392	5,509	81	5,590
Exchange differences	2	1	3	68	2	70
As at 31 December	<u>(19,908)</u>	<u>(170)</u>	<u>(20,078)</u>	<u>(20,902)</u>	<u>(312)</u>	<u>(21,214)</u>
Net book value						
As at 1 January	<u>18,359</u>	<u>121</u>	<u>18,480</u>	<u>18,786</u>	<u>172</u>	<u>18,958</u>
As at 31 December	<u>18,409</u>	<u>201</u>	<u>18,610</u>	<u>18,359</u>	<u>121</u>	<u>18,480</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

23 Other assets (Continued)

(3) Intangible assets

	Year ended 31 December	
	2025	2024
Cost		
As at 1 January	63,384	55,005
Additions	9,519	8,533
Deductions	(1,071)	(323)
Exchange differences	(226)	169
As at 31 December	<u>71,606</u>	<u>63,384</u>
Accumulated amortisation		
As at 1 January	(40,370)	(34,292)
Additions	(5,384)	(6,121)
Deductions	422	160
Exchange differences	155	(117)
As at 31 December	<u>(45,177)</u>	<u>(40,370)</u>
Allowance for impairment losses		
As at 1 January	(18)	(11)
Additions	(5)	(7)
Deductions	11	–
Exchange differences	–	–
As at 31 December	<u>(12)</u>	<u>(18)</u>
Net book value		
As at 1 January	<u>22,996</u>	<u>20,702</u>
As at 31 December	<u>26,417</u>	<u>22,996</u>

For the year ended 31 December 2025, the capitalised expenditure incurred by the Group on projects under development phase was RMB6,260 million (2024: RMB5,279 million) and the total expenditure for projects which had reached their intended use during the year was RMB7,489 million (2024: RMB3,568 million). As at 31 December 2025, the total capitalised expenditure relating to projects under development phase was RMB9,075 million (31 December 2024: RMB10,386 million).

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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	
	2025	2024
Held in Hong Kong, China		
on medium-term lease (10-50 years)	774	831
Subtotal	774	831
Held outside Hong Kong, China		
on long-term lease (over 50 years)	30	34
on medium-term lease (10-50 years)	4,518	4,501
on short-term lease (less than 10 years)	613	819
Subtotal	5,161	5,354
Total	<u>5,935</u>	<u>6,185</u>

(5) Repossessed assets

As at 31 December 2025, the net book amount of repossessed assets was RMB1,839 million (31 December 2024: RMB2,177 million), mainly comprised properties. Related allowance for impairment was RMB326 million (31 December 2024: RMB487 million).

The total book value of repossessed assets disposed of during the year ended 31 December 2025 amounted to RMB448 million (2024: RMB1,902 million). The Group plans to dispose of the repossessed assets held at 31 December 2025 by auction, bidding or transfer.

(6) Goodwill

	Year ended 31 December	
	2025	2024
As at 1 January	2,828	2,685
Addition through acquisition of subsidiaries	–	95
Decrease resulting from disposal of subsidiaries	–	–
Exchange differences and other	(71)	48
As at 31 December ⁽ⁱ⁾	<u>2,757</u>	<u>2,828</u>

(i) The goodwill mainly arose from the acquisition of BOC Aviation Limited in 2006 amounting to USD241 million (equivalent to RMB1,692 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

24 Impairment allowance

	As at 1 January 2025	Additions/ (reversal), net	Write-off and transfer out	Exchange differences and other	As at 31 December 2025
Loans and advances to customers					
— at amortised cost	538,786	107,156	(67,303)	(1,916)	576,723
— at fair value through other comprehensive income	391	29	—	1	421
	<u>539,177</u>	<u>107,185</u>	<u>(67,303)</u>	<u>(1,915)</u>	<u>577,144</u>
Subtotal					
Financial investments					
— at amortised cost	9,064	293	(942)	(64)	8,351
— at fair value through other comprehensive income	5,808	(1,661)	(263)	(16)	3,868
	<u>14,872</u>	<u>(1,368)</u>	<u>(1,205)</u>	<u>(80)</u>	<u>12,219</u>
Subtotal					
Other	30,562	(2,730)	(2,099)	(146)	25,587
	<u>584,611</u>	<u>103,087</u>	<u>(70,607)</u>	<u>(2,141)</u>	<u>614,950</u>
Total					

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

24 Impairment allowance (Continued)

	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
	<u>485,298</u>	<u>120,861</u>	<u>(67,363)</u>	<u>381</u>	<u>539,177</u>
Subtotal					
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
	<u>18,505</u>	<u>(3,143)</u>	<u>(586)</u>	<u>96</u>	<u>14,872</u>
Subtotal					
Other	49,023	(14,996)	(3,828)	363	30,562
	<u>552,826</u>	<u>102,722</u>	<u>(71,777)</u>	<u>840</u>	<u>584,611</u>
Total					

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**25 Due to banks and other financial institutions**

	As at 31 December	
	2025	2024
Due to:		
Banks in Chinese mainland	350,412	417,834
Other financial institutions in Chinese mainland	2,503,874	2,235,299
Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	209,745	183,429
Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	107,650	81,786
Subtotal	3,171,681	2,918,348
Accrued interest	15,622	15,404
Total	<u>3,187,303</u>	<u>2,933,752</u>

26 Due to central banks

	As at 31 December	
	2025	2024
Due to central banks	1,727,419	1,106,128
Accrued interest	6,636	5,888
Total	<u>1,734,055</u>	<u>1,112,016</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

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.

28 Placements from banks and other financial institutions

	As at 31 December	
	2025	2024
Placements from:		
Banks in Chinese mainland	282,864	249,687
Other financial institutions in Chinese mainland	389	1,081
Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	262,437	341,383
Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	5,060	11,282
Subtotal	550,750	603,433
Accrued interest	2,936	3,768
Total ^{(1) (2) (3)}	553,686	607,201

(1) As at 31 December 2025, the carrying amount of “Placements from banks and other financial institutions” measured at fair value through profit or loss of the Group was RMB17,373 million (31 December 2024: RMB27,774 million).

(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 2025, the carrying amount of the above-mentioned financial liabilities was RMB3,961 million (31 December 2024: RMB5,366 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 2025 and 2024 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	
	2025	2024
Repurchase debt securities ⁽ⁱ⁾	84,345	160,503

(i) Debt securities used as collateral under repurchase agreements were principally government bonds and were included in the amount disclosed under Note V.41.2.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

29 Financial liabilities held for trading

As at 31 December 2025 and 2024, financial liabilities held for trading mainly included short position in debt securities.

30 Due to customers

	As at 31 December	
	2025	2024
Demand deposits		
— Corporate deposits	5,668,520	5,518,065
— Personal deposits	4,424,673	4,163,121
Subtotal	<u>10,093,193</u>	<u>9,681,186</u>
Time deposits		
— Corporate deposits	6,515,073	5,955,203
— Personal deposits	8,043,354	7,318,692
Subtotal	<u>14,558,427</u>	<u>13,273,895</u>
Structured deposits ⁽¹⁾		
— Corporate deposits	320,170	284,886
— Personal deposits	353,694	189,584
Subtotal	<u>673,864</u>	<u>474,470</u>
Certificates of deposit	421,423	324,563
Other deposits ⁽²⁾	75,120	90,703
Subtotal due to customers	25,822,027	23,844,817
Accrued interest	360,404	357,771
Total ⁽³⁾	<u><u>26,182,431</u></u>	<u><u>24,202,588</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

30 Due to customers (Continued)

- (1) 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 2025, the carrying amount of these financial liabilities was RMB44,267 million (31 December 2024: RMB45,332 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 2025 and 2024 were not significant. For the years ended 31 December 2025 and 2024, 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 2025, the remaining maturity of special purpose funding ranges from 89 days to 28 years. The interest-bearing special purpose funding bears interest at floating and fixed rates ranging from 0.15% to 7.92% (31 December 2024: 0.03% 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 2025 of RMB439,626 million (31 December 2024: RMB414,308 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued

	Issue date	Maturity date	Annual interest rate	As at 31 December	
				2025	2024
Bonds issued at amortised cost					
Tier 2 capital bonds issued					
2019 RMB Debt Securities First Tranche 02 ⁽¹⁾	20 September 2019	24 September 2034	4.34%	9,996	9,996
2020 RMB Debt Securities First Tranche 01 ⁽²⁾	17 September 2020	21 September 2030	4.20%	–	59,975
2020 RMB Debt Securities First Tranche 02 ⁽³⁾	17 September 2020	21 September 2035	4.47%	14,994	14,994
2021 RMB Debt Securities First Tranche 01 ⁽⁴⁾	17 March 2021	19 March 2031	4.15%	14,996	14,996
2021 RMB Debt Securities First Tranche 02 ⁽⁵⁾	17 March 2021	19 March 2036	4.38%	9,997	9,997
2021 RMB Debt Securities Second Tranche 01 ⁽⁶⁾	12 November 2021	16 November 2031	3.60%	39,990	39,990
2021 RMB Debt Securities Second Tranche 02 ⁽⁷⁾	12 November 2021	16 November 2036	3.80%	9,997	9,997
2022 RMB Debt Securities First Tranche ⁽⁸⁾	20 January 2022	24 January 2032	3.25%	29,993	29,993
2022 RMB Debt Securities Second Tranche 01 ⁽⁹⁾	24 October 2022	26 October 2032	3.02%	44,995	44,995
2022 RMB Debt Securities Second Tranche 02 ⁽¹⁰⁾	24 October 2022	26 October 2037	3.34%	14,998	14,998
2023 RMB Debt Securities First Tranche 01 ⁽¹¹⁾	20 March 2023	22 March 2033	3.49%	39,994	39,995
2023 RMB Debt Securities First Tranche 02 ⁽¹²⁾	20 March 2023	22 March 2038	3.61%	19,997	19,997
2023 RMB Debt Securities Second Tranche 01 ⁽¹³⁾	19 September 2023	21 September 2033	3.25%	29,996	29,996
2023 RMB Debt Securities Second Tranche 02 ⁽¹⁴⁾	19 September 2023	21 September 2038	3.37%	29,996	29,996
2023 RMB Debt Securities Third Tranche 01 ⁽¹⁵⁾	19 October 2023	23 October 2033	3.43%	44,994	44,995
2023 RMB Debt Securities Third Tranche 02 ⁽¹⁶⁾	19 October 2023	23 October 2038	3.53%	24,996	24,997

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued (Continued)

	Issue date	Maturity date	Annual interest rate	As at 31 December	
				2025	2024
Tier 2 capital bonds issued (continued)					
2023 RMB Debt Securities Fourth Tranche 01 ⁽¹⁷⁾	1 December 2023	5 December 2033	3.30%	14,999	14,999
2023 RMB Debt Securities Fourth Tranche 02 ⁽¹⁸⁾	1 December 2023	5 December 2038	3.37%	14,999	14,999
2024 RMB Debt Securities First Tranche 01 ⁽¹⁹⁾	30 January 2024	1 February 2034	2.78%	29,998	29,998
2024 RMB Debt Securities First Tranche 02 ⁽²⁰⁾	30 January 2024	1 February 2039	2.85%	29,998	29,998
2024 RMB Debt Securities Second Tranche 01 ⁽²¹⁾	2 April 2024	8 April 2034	2.62%	34,994	34,997
2024 RMB Debt Securities Second Tranche 02 ⁽²²⁾	2 April 2024	8 April 2039	2.71%	24,996	24,996
2025 RMB Debt Securities First Tranche ⁽²³⁾	22 May 2025	26 May 2035	1.93%	49,994	–
2025 RMB Debt Securities Second Tranche ⁽²⁴⁾	24 November 2025	26 November 2035	2.16%	59,994	–
2025 RMB Debt Securities Third Tranche 01 ⁽²⁵⁾	22 December 2025	24 December 2035	2.22%	47,994	–
2025 RMB Debt Securities Third Tranche 02 ⁽²⁶⁾	22 December 2025	24 December 2035	1Y LPR-0.75%	2,000	–
Subtotal ⁽³²⁾				689,895	589,894
Total Loss-absorbing Capacity Eligible Non-capital bonds (TLAC Non-capital Bonds) issued					
2024 RMB TLAC Non-capital Debt 01A ⁽²⁷⁾	16 May 2024	20 May 2028	2.25%	24,996	24,996
2024 RMB TLAC Non-capital Debt 01B ⁽²⁸⁾	16 May 2024	20 May 2030	2.35%	14,998	14,998
2024 RMB TLAC Non-capital Green Debt First Tranche ⁽²⁹⁾	13 December 2024	17 December 2028	1.78%	9,999	9,999
2025 RMB TLAC Non-capital Debt First Tranche ⁽³⁰⁾	8 July 2025	10 July 2029	1.75%	49,994	–
2025 RMB TLAC Non-capital Debt Second Tranche ⁽³¹⁾	15 August 2025	19 August 2029	1.93%	49,993	–
Subtotal ⁽³²⁾				149,980	49,993

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued (Continued)

	Issue date	Maturity date	Annual interest rate	As at 31 December	
				2025	2024
Other bonds issued ⁽³³⁾					
US Dollar Debt Securities				151,521	189,278
RMB Debt Securities				164,065	207,961
Other				26,265	23,849
Subtotal				341,851	421,088
Negotiable certificates of deposit				1,098,406	980,653
Subtotal bonds issued at amortised cost				2,280,132	2,041,628
Bonds issued at fair value through profit or loss ⁽³⁴⁾				2,042	1,970
Subtotal bonds issued				2,282,174	2,043,598
Accrued interest				12,514	12,951
Total bonds issued ⁽³⁵⁾				<u>2,294,688</u>	<u>2,056,549</u>

- (1) 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.
- (2) 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. The Bank has redeemed all the bonds in advance at face value on 22 September 2025.
- (3) 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued (Continued)

- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) 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.
- (12) 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.
- (13) 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.
- (14) 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.
- (15) 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued (Continued)

- (16) 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.
- (17) 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.
- (18) 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.
- (19) 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.
- (20) 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.
- (21) 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.
- (22) 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.
- (23) The Bank issued tier 2 capital bonds in an amount of RMB50 billion on 22 May 2025. The bonds have a maturity of 10 years with a fixed coupon rate of 1.93%. The Bank is entitled to redeem the bonds at the end of the fifth year.
- (24) The Bank issued tier 2 capital bonds in an amount of RMB60 billion on 24 November 2025. The bonds have a maturity of 10 years with a fixed coupon rate of 2.16%. 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 RMB48 billion on 22 December 2025. The bonds have a maturity of 10 years with a fixed coupon rate of 2.22%. The Bank is entitled to redeem the bonds at the end of the fifth year.
- (26) The Bank issued tier 2 capital bonds in an amount of RMB2 billion on 22 December 2025. The bonds have a maturity of 10 years with a floating coupon rate. The rate will be adjusted every 3 months in accordance with the issuance terms. The Bank is entitled to redeem the bonds at the end of the fifth year.
- (27) 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

31 Bonds issued (Continued)

- (28) 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.
- (29) 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.
- (30) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB50 billion on 8 July 2025. The bonds have a maturity of 4 years with a fixed coupon rate of 1.75%. The Bank is entitled to redeem the bonds at the end of the third year.
- (31) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB50 billion on 15 August 2025. The bonds have a maturity of 4 years with a fixed coupon rate of 1.93%. The Bank is entitled to redeem the bonds at the end of the third year.
- (32) 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.
- (33) 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 2025 by the Group, with dates of maturity ranging from 2026 to 2034.
- (34) The Group designates certain bonds issued as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. The differences between the fair value of the above-mentioned financial liabilities and the amount that the Group would be contractually required to pay to the holders as at 31 December 2025 and 2024 were not significant. In the years of 2025 and 2024, there was no significant change in the Group's credit risk and there were no changes in the fair value of these financial liabilities as a result.
- (35) During the years ended 31 December 2025 and 2024, 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 2025, these other borrowings had a maturity ranging from 6 days to 5 years and bore floating and fixed interest rates ranging from 4.26 % to 5.03% (31 December 2024: 4.26% to 6.09%).

During the years ended 31 December 2025 and 2024, the Group did not default on any principal, interest or redemption amounts with respect to its other borrowings.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**33 Current tax liabilities**

	As at 31 December	
	2025	2024
Corporate income tax	21,234	19,682
Value-added tax	9,151	7,519
City construction and maintenance tax	826	690
Education surcharges	366	293
Other	1,032	837
Total	<u>32,609</u>	<u>29,021</u>

34 Retirement benefit obligations

	Year ended 31 December	
	2025	2024
As at 1 January	1,594	1,676
Interest cost	26	40
Past service cost	–	18
Net actuarial (gains)/losses recognised	(11)	8
Benefits paid	<u>(130)</u>	<u>(148)</u>
As at 31 December	<u>1,479</u>	<u>1,594</u>

As at 31 December 2025, 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 RMB1,403 million (31 December 2024: RMB1,510 million) and RMB64 million (31 December 2024: RMB84 million), respectively, using the projected unit credit method.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**34 Retirement benefit obligations (Continued)**

Primary assumptions used:

	As at 31 December	
	2025	2024
Discount rate		
— Normal retiree	1.75%	1.75%
— Early retiree	1.50%	1.25%
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	60-63
— Female	50-55/55-58	50-55/55-58

Assumptions regarding future mortality experience are based on the China Life Insurance Mortality Table (published historical statistics in China).

As at 31 December 2025 and 2024, 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.

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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			
	2025		2024	
	Temporary differences	Deferred tax assets/ (liabilities)	Temporary differences	Deferred tax assets/ (liabilities)
Deferred income tax assets	336,540	82,107	256,236	62,691
Deferred income tax liabilities	(69,208)	(10,379)	(66,048)	(9,130)
Net	<u>267,332</u>	<u>71,728</u>	<u>190,188</u>	<u>53,561</u>

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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			
	2025		2024	
	Temporary differences	Deferred tax assets/ (liabilities)	Temporary differences	Deferred tax assets/ (liabilities)
Deferred income tax assets				
Asset impairment allowances	368,842	91,594	353,730	88,368
Pension, retirement benefits and salary payables	42,213	10,531	43,013	10,730
Financial instruments at fair value through profit or loss and derivative financial instruments	117,449	29,362	147,472	36,681
Financial assets at fair value through other comprehensive income	4,787	1,073	11,613	2,511
Other temporary differences	85,840	17,745	78,268	16,519
Subtotal	<u>619,131</u>	<u>150,305</u>	<u>634,096</u>	<u>154,809</u>
Deferred income tax liabilities				
Financial instruments at fair value through profit or loss and derivative financial instruments	(117,869)	(29,376)	(168,056)	(41,844)
Financial assets at fair value through other comprehensive income	(76,516)	(19,200)	(121,202)	(30,644)
Depreciation and amortisation	(58,657)	(8,893)	(52,700)	(6,543)
Revaluation of investment properties	(12,399)	(2,462)	(11,517)	(2,236)
Other temporary differences	(86,358)	(18,646)	(90,433)	(19,981)
Subtotal	<u>(351,799)</u>	<u>(78,577)</u>	<u>(443,908)</u>	<u>(101,248)</u>
Net	<u><u>267,332</u></u>	<u><u>71,728</u></u>	<u><u>190,188</u></u>	<u><u>53,561</u></u>

As at 31 December 2025, deferred tax liabilities relating to temporary differences of RMB254,319 million associated with the Group's investments in subsidiaries had not been recognised (31 December 2024: RMB239,446 million). Refer to Note II.19.2.

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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	
	2025	2024
As at 1 January	53,561	67,759
Credited to the statement of profit or loss (Note V.10)	8,234	851
Credited/(charged) to other comprehensive income	9,823	(15,674)
Other	110	625
	<u>71,728</u>	<u>53,561</u>
As at 31 December	<u><u>71,728</u></u>	<u><u>53,561</u></u>

36.4 Breakdowns of deferred income tax credit/(charge) in the statement of profit or loss are as follows:

	Year ended 31 December	
	2025	2024
Asset impairment allowances	3,226	7,990
Financial instruments at fair value through profit or loss and derivative financial instruments	5,149	(4,976)
Pension, retirement benefits and salary payables	(199)	1,369
Other temporary differences	58	(3,532)
	<u>8,234</u>	<u>851</u>
Total	<u><u>8,234</u></u>	<u><u>851</u></u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

37 Other liabilities

	As at 31 December	
	2025	2024
Insurance contract liabilities	367,026	302,000
Items in the process of clearance and settlement	89,727	163,211
Salary and welfare payables ⁽¹⁾	56,683	56,960
Dividends payable	12,231	36,297
Lease liabilities ⁽²⁾	18,375	18,716
Provision ⁽³⁾	17,304	18,604
Deferred income	7,355	7,080
Other	89,226	82,180
Total	657,927	685,048

(1) Salary and welfare payables

	As at			As at
	1 January	Accrual	Payment	31 December
	2025			2025
Salary, bonus and subsidy	50,036	81,470	(81,816)	49,690
Staff welfare	–	5,750	(5,750)	–
Social insurance				
— Medical	1,608	5,952	(6,013)	1,547
— Pension	271	8,058	(8,073)	256
— Annuity	12	4,697	(4,689)	20
— Unemployment	6	309	(310)	5
— Injury at work	2	125	(125)	2
— Maternity insurance	4	131	(131)	4
Housing funds	33	6,254	(6,242)	45
Labour union fee and staff education fee	4,378	2,109	(1,987)	4,500
Reimbursement for cancellation of labour contract	15	96	(91)	20
Other	595	5,619	(5,620)	594
Total ⁽¹⁾	56,960	120,570	(120,847)	56,683

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

37 Other liabilities (Continued)

(1) Salary and welfare payables (Continued)

	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
	<u>52,117</u>	<u>115,418</u>	<u>(110,575)</u>	<u>56,960</u>

(i) There was no overdue payment for staff salary and welfare payables as at 31 December 2025 and 2024.

(2) Lease liabilities

The Group's lease liabilities are analysed by the maturity date – undiscounted analysis

	As at 31 December	
	2025	2024
Less than 1 year	5,002	6,791
Between 1 to 5 years	10,073	9,255
Over 5 years	8,645	8,304
	<u>23,720</u>	<u>24,350</u>
Undiscounted lease liabilities	<u>23,720</u>	<u>24,350</u>
Lease liabilities	<u>18,375</u>	<u>18,716</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**37 Other liabilities (Continued)**

(3) Provision

	As at 31 December	
	2025	2024
Allowance for credit commitments ⁽ⁱ⁾	15,963	17,421
Allowance for litigation losses (Note V. 41.1)	1,341	1,183
Total	<u>17,304</u>	<u>18,604</u>

Movements of the provision are as follows:

	Year ended 31 December	
	2025	2024
As at 1 January	18,604	31,776
Reversal for the year	(1,356)	(13,553)
Utilised during the year	(56)	(262)
Exchange differences and other	112	643
As at 31 December	<u>17,304</u>	<u>18,604</u>

- (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 2025 and 2024.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**38 Share capital, other equity instruments and capital reserve****38.1 Share capital**

The Bank's share capital is as follows:

	Unit: Share	
	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Domestic listed A shares, par value of RMB1.00 per share	238,590,135,419	210,765,514,846
Overseas listed H shares, par value of RMB1.00 per share	<u>83,622,276,395</u>	<u>83,622,276,395</u>
Total	<u><u>322,212,411,814</u></u>	<u><u>294,387,791,241</u></u>

- (1) All A and H shares rank pari passu with the same rights and benefits.
- (2) According to the Approval of National Financial Regulatory Administration regarding the Plan for Offering A Shares by Bank of China Limited to Specified Investors and the Change in Share Capital (Jin Fu [2025] No. 271) from the NFRA and the Approval regarding the Registration of the Offering of Shares by Bank of China Limited to Specified Investors (Zheng Jian Xu Ke [2025] No. 1079) from the China Securities Regulatory Commission ("CSRC"), the Bank issued 27,824,620,573 RMB-denominated ordinary shares (A shares) to specified investor (the MOF) (par value of RMB1.00 per share) in June 2025, at an issue price of RMB5.93 per share. The total amount of proceeds raised was RMB165,000,000,000.00. After deducting expenses of the Offering, the net proceeds of the Offering was RMB164,952,658,061.90, of which RMB27,824,620,573.00 was included in the share capital and RMB137,128,037,488.90 was included in the capital reserve. The lock-up period is 5 years.

Ernst & Young Hua Ming LLP verified the registered capital and paid-in capital (share capital) from A-share issuance to specified investors by the Bank as at 13 June 2025, and issued a capital verification report (Ernst & Young Hua Ming 2025 Verification No. 70008878_A02).
- (3) As at 31 December 2025, the Bank's A shares and H shares were not subject to lock-up restrictions, except for the ordinary shares offered to specified investors in June 2025 (as at 31 December 2024, all of the Bank's A shares and H Shares were not subject to lock-up restrictions).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 Other equity instruments

Movements in the Bank's other equity instruments were as follows:

	As at 1 January 2025		Increase/(decrease)		As at 31 December 2025	
	Quantity (million shares)	Issue amount	Quantity (million shares)	Issue/ (redemption) 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	(197.9)	(19,787)	1,000.0	100,000
Perpetual Bonds						
2020 Undated Capital Bonds (Series 1) ⁽⁴⁾		40,000		(40,000)		–
2020 Undated Capital Bonds (Series 2) ⁽⁵⁾		30,000		(30,000)		–
2020 Undated Capital Bonds (Series 3) ⁽⁶⁾		20,000		(20,000)		–
2021 Undated Capital Bonds (Series 1) ⁽⁷⁾		50,000		–		50,000
2021 Undated Capital Bonds (Series 2) ⁽⁸⁾		20,000		–		20,000
2022 Undated Capital Bonds (Series 1) ⁽⁹⁾		30,000		–		30,000
2022 Undated Capital Bonds (Series 2) ⁽¹⁰⁾		20,000		–		20,000
2023 Undated Capital Bonds (Series 1) ⁽¹¹⁾		30,000		–		30,000
2024 Undated Capital Bonds (Series 1) ⁽¹²⁾		30,000		–		30,000
2024 Undated Capital Bonds (Series 2) ⁽¹³⁾		20,000		–		20,000
2025 Undated Capital Bonds (Series 1) ⁽¹⁴⁾		–		30,000		30,000
2025 Undated Capital Bonds (Series 2) ⁽¹⁵⁾		–		40,000		40,000
Subtotal		290,000		(20,000)		270,000
Total		<u>409,787</u>		<u>(39,787)</u>		<u>370,000</u>

As at 31 December 2025, the transaction costs of outstanding other equity instruments issued by the Bank were RMB69 million (31 December 2024: RMB106 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 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% (before 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% (before 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% (before 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% (before 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 approval of the NFRA, the Bank redeemed all 198 million 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, totalling USD2,922 million.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 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 2025, 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 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. 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 30 April 2025.
- (5) 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. 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 17 November 2025.
- (6) 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. 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 15 December 2025.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 Other equity instruments (Continued)

- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) 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.
- (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 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.
- (13) 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 Other equity instruments (Continued)

- (14) 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 22 July 2025 and completed the issuance on 24 July 2025. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 1.97%, which is reset every 5 years.
- (15) 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 22 August 2025 and completed the issuance on 26 August 2025. The denomination of the bonds is RMB100 each, and the annual interest rate of the bonds for the first five years is 2.16%, 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.

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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

38 Share capital, other equity instruments and capital reserve (Continued)

38.2 Other equity instruments (Continued)

Interests attributable to the holders of equity instruments

	As at 31 December	
	2025	2024
Total equity attributable to equity holders of the Bank	3,064,044	2,816,231
— Equity attributable to ordinary shareholders of the Bank	2,694,091	2,406,718
— Equity attributable to other equity holders of the Bank	369,953	409,513
Total equity attributable to non-controlling interests	144,080	136,733
— Equity attributable to non-controlling interests of ordinary shares	134,561	130,140
— Equity attributable to non-controlling interests of other equity instruments	<u>9,519</u>	<u>6,593</u>

38.3 Capital reserve

	As at 31 December	
	2025	2024
Share premium	270,072	133,620
Other capital reserve	<u>2,232</u>	<u>2,148</u>
Total	<u>272,304</u>	<u>135,768</u>

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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 30 March 2026, the Bank appropriated 10% of the net profit for the year ended 31 December 2025 to the statutory surplus reserves, amounting to RMB21,527 million (2024: RMB20,914 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 30 March 2026, the Bank appropriated RMB40,492 million to the general reserve for the year ended 31 December 2025 (2024: RMB35,738 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 2025 and 2024, the reserve amounts set aside by BOCHK Group were RMB1,481 million and RMB3,778 million, respectively.

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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

2024 final ordinary share cash dividend of RMB35,798 million (before tax) was approved at the First Extraordinary General Meeting of 2025 held on 16 April 2025 and was distributed during the year.

A 2025 interim cash dividend of RMB1.094 per ten ordinary shares (before tax) amounting to RMB35,250 million (before tax) in total was approved at the Fourth Extraordinary General Meeting of 2025 held on 27 November 2025. Such cash dividend was distributed on 15 December 2025 and 23 January 2026 after the appropriate withholding of individual and enterprise income taxes. The dividend declared but not yet distributed has been recorded in “Other liabilities” as at 31 December 2025.

In addition to the interim cash dividend of RMB1.094 per ten ordinary shares (before tax), the Board of Directors of the Bank has recommended to distribute a final cash dividend of RMB1.169 per ten ordinary shares (before tax), leading to a total 2025 dividend of RMB2.263 per ten ordinary shares (before tax) (2024: RMB2.424 per ten ordinary shares (before tax)). Based on the profit for the year ended 31 December 2025, the amount of interim dividend distribution and the number of shares issued, the final cash dividend for ordinary shares amounted to RMB37,667 million (before tax). The 2025 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) were approved by the Board of Directors of the Bank at the fifth meeting of the Board of Directors in 2025. Dividend of Domestic Preference Shares (Third Tranche) amounting to RMB2,540.4 million (before tax) was distributed on 27 June 2025. Dividend of Domestic Preference Shares (Fourth Tranche) amounting to RMB882.9 million (before tax) was distributed on 29 August 2025.

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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 2022 Undated Capital Bonds (Series 1) amounting to RMB1,095 million on 14 April 2025.

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 2) amounting to RMB730 million on 28 April 2025.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 1) amounting to RMB1,360 million on 30 April 2025.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 1) amounting to RMB2,040 million on 19 May 2025.

The Bank distributed interest on the 2023 Undated Capital Bonds (Series 1) amounting to RMB981 million on 16 June 2025.

The Bank distributed interest on the 2024 Undated Capital Bonds (Series 1) amounting to RMB657 million on 30 July 2025.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 2) amounting to RMB1,365 million on 17 November 2025.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 2) amounting to RMB728 million on 1 December 2025.

The Bank distributed interest on the 2024 Undated Capital Bonds (Series 2) amounting to RMB434 million on 10 December 2025.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 3) amounting to RMB940 million on 15 December 2025.

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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	
	2025	2024
BOC Hong Kong (Group) Limited	105,010	100,071
Bank of China Group Investment Limited	16,294	12,997
Tai Fung Bank Limited	11,092	12,136
Other	11,684	11,529
Total	<u>144,080</u>	<u>136,733</u>

41 Contingent liabilities and commitments

41.1 Legal proceedings and arbitrations

As at 31 December 2025, 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, legal documents, legal opinion letters and other relevant materials, and as at 31 December 2025, the balance of the provisions was RMB1,341 million (31 December 2024: RMB1,183 million), as disclosed in Note V.37. 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

41 Contingent liabilities and commitments (Continued)

41.2 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	
	2025	2024
Debt securities	2,042,146	1,281,470
Bills	880	877
Total	<u>2,043,026</u>	<u>1,282,347</u>

41.3 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 2025, the fair value of collateral received from banks and other financial institutions accepted by the Group amounted to RMB253,681 million (31 December 2024: RMB113,030 million). As at 31 December 2025, the fair value of the collateral that the Group had sold or re-pledged, but was obligated to return, was RMB24 million (31 December 2024: RMB5 million). These transactions are conducted under standard terms in the normal course of business.

41.4 Capital commitments

	As at 31 December	
	2025	2024
Property and equipment		
— Contracted but not provided for	136,112	90,820
— Authorised but not contracted for	1,454	3,191
Intangible assets		
— Contracted but not provided for	2,349	3,952
— Authorised but not contracted for	304	97
Investment properties and others		
— Contracted but not provided for	30	375
— Authorised but not contracted for	10	4
Total	<u>140,259</u>	<u>98,439</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

41 Contingent liabilities and commitments (Continued)

41.5 Operating leases

The Group acts as lessor in operating leases principally through leasing of aircraft, vessels and other assets undertaken by its subsidiaries BOC Aviation Limited and BOC Financial Leasing Co., Ltd. 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	
	2025	2024
Less than 1 year	15,223	14,548
Between 1 to 2 years	15,323	15,297
Between 2 to 3 years	15,958	14,870
Between 3 to 4 years	15,256	14,617
Between 4 to 5 years	13,649	13,390
Over 5 years	60,057	48,695
Total	<u>135,466</u>	<u>121,417</u>

41.6 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 2025, the outstanding principal value of the Treasury bonds sold by the Bank under obligation to redeem prior to maturity amounted to RMB41,798 million (31 December 2024: RMB39,556 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

41 Contingent liabilities and commitments (Continued)

41.7 Credit commitments

	As at 31 December	
	2025	2024
Loan commitments		
— with an original maturity of less than 1 year	51,282	41,177
— with an original maturity of 1 year or above	491,623	612,656
Undrawn credit card limits	917,524	937,237
Letters of guarantee issued ⁽¹⁾		
— Financing letters of guarantee	15,949	28,242
— Non-financing letters of guarantee	1,209,806	1,183,867
Bank bill acceptance	999,821	572,989
Letters of credit issued		
— Sight letters of credit	97,563	93,535
— Usance letters of credit	44,469	44,401
Accepted bills of exchange under letters of credit	115,514	79,441
Other	44,276	115,892
	<u>3,987,827</u>	<u>3,709,437</u>
Total ⁽²⁾	<u>3,987,827</u>	<u>3,709,437</u>

(1) These obligations on the Group to make payments are dependent on the outcome of a future event.

(2) 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	
	2025	2024
Credit commitments	<u>1,254,687</u>	<u>1,249,799</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

41 Contingent liabilities and commitments (Continued)

41.8 Underwriting obligations

As at 31 December 2025, there was no firm commitment in underwriting securities of the Group (31 December 2024: Nil).

42 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	
	2025	2024
Cash and due from banks and other financial institutions	483,685	501,566
Balances with central banks	807,881	835,016
Placements with and loans to banks and other financial institutions	720,315	742,598
Financial investments	292,962	289,749
Total	<u>2,304,843</u>	<u>2,368,929</u>

43 Related party transactions

43.1 The immediate and ultimate parents of the Group are Central Huijin Investment Limited (“Huijin”) and China Investment Corporation (“CIC”), respectively.

As approved by the State Council, CIC was established on 29 September 2007 with registered capital of RMB1,550,000 million.

The Group entered into banking transactions with CIC in the normal course of its business on commercial terms.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.2 Transactions with Huijin and companies under Huijin

Huijin was established on 16 December 2003 as a wholly state-owned company. It was registered in Beijing with registered capital of RMB828,209 million. As a wholly-owned subsidiary of 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 2025, Huijin directly held 58.59% of shares of the Bank.

Companies under Huijin include its equity interests in subsidiaries, associates and joint ventures.

The Group enters into transactions with Huijin and companies under Huijin in the normal course of business on commercial terms which include mainly purchase and sale of debt securities, money market transactions and derivative transactions.

(1) Transactions with Huijin

The main transactions that the Group entered into with Huijin are as follows:

Transaction balances

	As at 31 December	
	2025	2024
Financial investments	63,960	53,593
Placements with Huijin	36,400	66,600
Due to Huijin	(93,498)	(35,118)

Transaction amounts

	Year ended 31 December	
	2025	2024
Interest income	2,399	2,922
Interest expense	(656)	(345)

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**43 Related party transactions (Continued)****43.2 Transactions with Huijin and companies under Huijin (Continued)****(2) Transactions with companies under Huijin**

The main transactions that the Group entered into with the affiliates of Huijin are as follows:

Transaction balances

	As at 31 December	
	2025	2024
Due from banks and other financial institutions	84,460	81,012
Placements with and loans to banks and other financial institutions	387,768	236,724
Financial investments	943,394	666,455
Derivative financial assets	7,150	18,697
Loans and advances to customers	51,330	44,176
Due to customers, banks and other financial institutions	(714,496)	(701,853)
Placements from banks and other financial institutions	(199,426)	(260,739)
Derivative financial liabilities	(7,453)	(13,477)
Credit commitments	19,468	19,478

Transaction amounts

	Year ended 31 December	
	2025	2024
Interest income	23,745	20,709
Interest expense	(27,197)	(26,606)

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**43 Related party transactions (Continued)****43.2 Transactions with Huijin and companies under Huijin (Continued)****(2) Transactions with companies under Huijin (Continued)****Interest rate ranges**

	Year ended 31 December	
	2025	2024
Due from banks and other financial institutions	0.00%-4.90%	0.00%-6.35%
Placements with and loans to banks and other financial institutions	0.30%-25.00%	0.48%-20.00%
Financial investments	0.00%-5.75%	0.00%-5.70%
Loans and advances to customers	0.39%-5.88%	0.39%-8.00%
Due to customers, banks and other financial institutions	0.00%-5.45%	0.00%-6.45%
Placements from banks and other financial institutions	<u>0.15%-7.50%</u>	<u>0.15%-8.33%</u>

43.3 Transactions with MOF

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 31 December 2025, the MOF directly held 8.64% of shares of the Bank. The Group enters into transactions with the MOF in the normal course of business on commercial terms.

The main transactions that the Group entered into with the MOF are as follows:

Transaction balances

	As at 31 December 2025
The PRC Treasury bonds and the Special Purpose Treasury Bond	<u>1,485,399</u>

For the period from the date that the MOF became the Bank's shareholder to 31 December 2025, the transaction amount of interest income on treasury bonds that the Group entered into with the MOF was RMB18,129 million.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.4 Transactions with CITIC Financial AMC and companies under CITIC Financial AMC

As at 31 December 2025, according to publicly disclosed information, China CITIC Financial Asset Management Co., Ltd. (“CITIC Financial AMC”) held approximately 4.93% of shares of the Bank, and nominated a director to the Bank. Companies under CITIC Financial AMC include its equity interests in subsidiaries and joint ventures. The Group enters into transactions with these companies in the normal course of business on commercial terms which mainly include purchase and sale of debt securities and money market transactions.

The main transactions that the Group entered into with CITIC Financial AMC and the affiliates of CITIC Financial AMC are as follows:

Transaction balances

	As at 31 December 2025
Placements with and loans to banks and other financial institutions	32,700
Financial investments and others	3,513
Due to customers, banks and other financial institutions	<u>(13,320)</u>

In 2025, the transaction amounts of interest income and interest expense that the Group entered into with CITIC Financial AMC and companies under CITIC Financial AMC were RMB855 million and RMB114 million, respectively.

43.5 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**43 Related party transactions (Continued)****43.6 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	
	2025	2024
Loans and advances to customers	27,670	28,897
Due to customers, banks and other financial institutions	(26,911)	(20,911)
Credit commitments	<u>29,216</u>	<u>38,260</u>

Transaction amounts

	Year ended 31 December	
	2025	2024
Interest income	885	932
Interest expense	<u>(360)</u>	<u>(356)</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.6 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	48,610	1,694	1,677	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
National Green Development Fund	PRC	91310000MA1FL7AXXR	9.04	Note (1)	RMB88,500	54,486	385	157	Equity investment; project investment; investment management; investment consulting
Ying Kou Port Group CORP.	PRC	91210800121119657C	8.86	Note (1)	RMB20,000	Note (2)	Note (2)	Note (2)	Port operation; cargo handling
CGN Phase I Private Equity Fund Company Limited	PRC	91110000717827478Q	20.00	20.00	RMB100	9,212	1,241	1,193	Investment in nuclear power projects and related industries; assets management; investment consulting
Shanghai Chenggang Real Estate Co., Ltd.	PRC	91310000MA1H3FW95L	75.00	Note (1)	RMB2,400	2,373	2	(7)	Real estate development and operations; property management; non-residential real estate leasing; parking services
Sichuan Lutianhua Co., Ltd.	PRC	91510500711880825C	14.92	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	217	(9)	(9)	Investment
Guomin Pension & Insurance Co., Ltd.	PRC	91110102MA7LE7UA7T	8.79	8.79	RMB11,378	13,375	8,953	506	Insurance business; Insurance asset management
Jilin Zhongze Haorong Group Co., Ltd.	PRC	91220000MA176P6XP	12.61	Note (1)	RMB3,267	9,545	6,293	970	Mining and processing of common non-ferrous metals ores; Mining and processing of non-ferrous metals and precious metals (including nickel, molybdenum, copper, cobalt, gold, and silver), refinery and processed by-products, etc.

(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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.7 Transactions with the Annuity Fund

As at 31 December 2025, 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 RMB1,277 million (31 December 2024: RMB1,138 million).

43.8 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 2025 and 2024, 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 2025 and 2024 comprises:

	Year ended 31 December	
	2025	2024
Compensation for short-term employment benefits ⁽¹⁾	9	13
Compensation for post-employment benefits	1	1
Total	<u>10</u>	<u>14</u>

- (1) The total compensation packages for the key management personnel for the year ended 31 December 2025 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 2025 financial statements. The final compensation for the year ended 31 December 2025 will be disclosed in a separate announcement when determined.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)**43 Related party transactions (Continued)****43.9 Transactions with Connected Natural Persons**

According to China Securities Regulatory Commission's *Administrative Measure for Information Disclosure of Listed Companies*, as at 31 December 2025, the Group's balance of loans and overdrafts to the connected natural persons totalled RMB143 million (as at 31 December 2024: RMB145 million).

43.10 Transactions with subsidiaries

The main transactions with subsidiaries are as follows:

Transaction balances

	As at 31 December	
	2025	2024
Due from banks and other financial institutions	34,264	44,284
Placements with and loans to banks and other financial institutions and loans and advances to customers	297,095	287,940
Derivative financial assets	10,646	7,635
Due to customers, banks and other financial institutions	(140,437)	(101,569)
Placements from banks and other financial institutions	(152,363)	(135,512)
Derivative financial liabilities	<u>(3,897)</u>	<u>(4,802)</u>

Transaction amounts

	Year ended 31 December	
	2025	2024
Interest income	6,725	7,850
Interest expense	<u>(6,054)</u>	<u>(7,374)</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.10 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

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

43 Related party transactions (Continued)

43.10 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.

44 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

44 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 banking, personal banking and other 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, leasing business and other miscellaneous activities, none of which constitutes a separately reportable segment.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

44 Segment reporting (Continued)

As at and for the year ended 31 December 2025

	Chinese mainland	Hong Kong (China), Macao (China), Taiwan (China)	Other countries and regions	Elimination	Total
		BOCHK Group	Other	Subtotal	
Interest income	786,303	102,435	51,554	153,989	1,000,907
Interest expense	(417,994)	(60,309)	(43,271)	(103,580)	(560,202)
Net interest income	368,309	42,126	8,283	50,409	440,705
Fee and commission income	71,067	13,896	6,320	20,216	95,449
Fee and commission expense	(8,832)	(3,637)	(1,882)	(5,519)	(13,212)
Net fee and commission income	62,235	10,259	4,438	14,697	82,237
Net trading gains	15,735	27,889	5,421	33,310	52,054
Net gains/(losses) on transfers of financial asset	15,178	(1,358)	308	(1,050)	14,667
Other operating income	42,314	2,872	26,019	28,891	70,203
Operating income	503,771	81,788	44,469	126,257	659,866
Operating expenses	(196,562)	(28,512)	(22,592)	(51,104)	(256,623)
Impairment losses on assets	(90,405)	(7,591)	(4,406)	(11,997)	(103,087)
Operating profit	216,804	45,685	17,471	63,156	300,156
Share of results of associates and joint ventures	576	1	633	634	1,132
Profit before income tax	217,380	45,686	18,104	63,790	301,288
Income tax expense					(43,352)
Profit for the year					257,936
Segment assets	31,335,936	4,031,710	1,892,769	5,924,479	38,317,002
Investments in associates and joint ventures	24,953	794	15,303	16,097	41,074
Total assets	31,360,889	4,032,504	1,908,072	5,940,576	38,358,076
Including: non-current assets ⁽¹⁾	125,666	26,951	186,264	213,215	342,200
Segment liabilities	28,758,735	3,719,180	1,713,680	5,432,860	35,149,952
Other segment items:					
Intersegment net interest income/(expense)	3,767	372	9,144	9,516	(100)
Intersegment net fee and commission income/(expense)	465	(108)	252	144	(592)
Capital expenditure	24,593	2,155	25,977	28,132	53,044
Depreciation and amortisation	19,570	1,785	6,841	8,626	28,034
Credit commitments	3,157,566	303,697	63,790	367,487	3,987,827

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

44 Segment reporting (Continued)

As at and for the year ended 31 December 2024

	Hong Kong (China), Macao (China), Taiwan (China)				Other countries and regions	Elimination	Total
	Chinese mainland	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	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	(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 ⁽¹⁾	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

(1) Non-current assets include property and equipment, investment properties, right-of-use assets, intangible assets and other long-term assets.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

44 Segment reporting (Continued)

As at and for the year ended 31 December 2025

	Corporate banking	Personal banking	Treasury operations	Investment banking	Insurance	Other	Elimination	Total
Interest income	491,842	370,358	303,584	2,774	4,731	11,036	(183,418)	1,000,907
Interest expense	(280,818)	(176,406)	(273,615)	(813)	(274)	(11,738)	183,462	(560,202)
Net interest income/(expense)	211,024	193,952	29,969	1,961	4,457	(702)	44	440,705
Fee and commission income	29,767	41,957	17,113	8,255	3	2,284	(3,930)	95,449
Fee and commission expense	(1,388)	(8,268)	(3,614)	(1,877)	(6)	(195)	2,136	(13,212)
Net fee and commission income	28,379	33,689	13,499	6,378	(3)	2,089	(1,794)	82,237
Net trading gains	3,212	1,088	31,088	547	11,298	4,789	32	52,054
Net gains on transfers of financial asset	1,104	38	13,479	30	12	4	—	14,667
Other operating income	437	31,317	756	139	16,488	24,070	(3,004)	70,203
Operating income	244,156	260,084	88,791	9,055	32,252	30,250	(4,722)	659,866
Operating expenses	(80,072)	(112,442)	(24,086)	(3,365)	(28,008)	(12,833)	4,183	(256,623)
Impairment losses on assets	(38,886)	(66,819)	4,581	(2)	(419)	(1,969)	427	(103,087)
Operating profit	125,198	80,823	69,286	5,688	3,825	15,448	(112)	300,156
Share of results of associates and joint ventures	—	—	—	445	6	776	(95)	1,132
Profit before income tax	125,198	80,823	69,286	6,133	3,831	16,224	(207)	301,288
Income tax expense	—	—	—	—	—	—	—	(43,352)
Profit for the year	125,198	80,823	69,286	6,133	3,831	16,224	(207)	257,936
Segment assets	17,103,781	6,791,085	13,328,897	78,616	393,377	796,276	(175,030)	38,317,002
Investments in associates and joint ventures	—	—	—	8,034	203	33,102	(265)	41,074
Total assets	17,103,781	6,791,085	13,328,897	86,650	393,580	829,378	(175,295)	38,358,076
Segment liabilities	16,796,399	13,107,470	4,687,421	36,754	374,465	318,566	(171,123)	35,149,952
Other segment items:								
Intersegment net interest income/(expense)	22,861	157,914	(181,035)	390	3	(133)	—	—
Intersegment net fee and commission income/(expense)	301	1,431	113	(708)	(3)	660	(1,794)	—
Capital expenditure	5,288	5,926	278	208	161	41,183	—	53,044
Depreciation and amortisation	9,489	9,375	3,233	457	77	6,723	(1,320)	28,034
Credit commitments	2,985,663	1,002,164	—	—	—	—	—	3,987,827

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

44 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	127,293	80,757	60,199	4,979	4,785	17,681	(740)	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

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

45 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. 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 under repurchase agreements.

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 2025		As at 31 December 2024	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	<u>33,060</u>	<u>32,140</u>	<u>86,957</u>	<u>84,167</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

45 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 RMB757 million as at 31 December 2025 (31 December 2024: RMB436 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 2025 and 2024, 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 14,946 million as at 31 December 2025 (31 December 2024: RMB17,851 million).

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

46 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.

46.1 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 2025, 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 RMB1,964,754 million (31 December 2024: RMB1,884,057 million), and funds and asset management plans amounted to RMB1,266,322 million (31 December 2024: RMB1,028,755 million).

For the year ended 31 December 2025, the above-mentioned commission, custodian fees and management fees amounted to RMB8,705 million (2024: RMB6,795 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 2025 and 2024, the Group did not provide any such financing. As at 31 December 2025 and 2024, 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 RMB10,454 million for the year ended 31 December 2025 (2024: RMB5,484 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.45.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

46 Interests in structured entities (Continued)

46.1 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 2025					
Fund investments	118,137	–	–	118,137	118,137
Investment trusts and asset management plans	2,160	7,402	15,751	25,313	25,313
Asset-backed securitisations	<u>834</u>	<u>160,166</u>	<u>70,546</u>	<u>231,546</u>	<u>231,546</u>
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	<u>54</u>	<u>109,888</u>	<u>77,560</u>	<u>187,502</u>	<u>187,502</u>

46.2 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

47 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 2025						
Derivatives	102,614	(40)	102,574	(71,382)	(26,539)	4,653
Reverse repo agreements	43,696	–	43,696	(43,696)	–	–
Other assets	17,481	(12,243)	5,238	(1)	–	5,237
Total	<u>163,791</u>	<u>(12,283)</u>	<u>151,508</u>	<u>(115,079)</u>	<u>(26,539)</u>	<u>9,890</u>
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	<u>195,875</u>	<u>(8,103)</u>	<u>187,772</u>	<u>(131,568)</u>	<u>(29,022)</u>	<u>27,182</u>

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

47 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 2025						
Derivatives	111,533	(40)	111,493	(70,502)	(12,133)	28,858
Repurchase agreements	56,198	–	56,198	(56,198)	–	–
Other liabilities	14,852	(12,243)	2,609	(1)	–	2,608
Total	182,583	(12,283)	170,300	(126,701)	(12,133)	31,466
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

* 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.

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

48 The Bank's statement of financial position and changes in equity

48.1 The Bank's statement of financial position

	As at 31 December	
	2025	2024
ASSETS		
Cash and due from banks and other financial institutions	471,935	522,543
Balances with central banks	2,213,202	2,117,684
Placements with and loans to banks and other financial institutions	1,602,075	1,567,988
Government certificates of indebtedness for bank notes issued	10,591	10,434
Precious metals	285,076	165,582
Derivative financial assets	84,974	131,009
Loans and advances to customers, net	20,740,508	18,925,714
Financial investments	7,474,289	6,415,064
— Financial assets at fair value through profit or loss	294,240	194,720
— Financial assets at fair value through other comprehensive income	3,108,585	3,081,602
— Financial assets at amortised cost	4,071,464	3,138,742
Investments in subsidiaries	152,531	152,531
Investments in associates and joint ventures	10,833	10,101
Consolidated structured entities	217,505	202,005
Property and equipment	68,655	69,711
Construction in progress	3,616	2,984
Investment properties	2,728	2,727
Deferred income tax assets	76,407	57,276
Other assets	107,197	106,132
Total assets	33,522,122	30,459,485

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

48 The Bank's statement of financial position and changes in equity (Continued)

48.1 The Bank's statement of financial position (Continued)

	As at 31 December	
	2025	2024
LIABILITIES		
Due to banks and other financial institutions	3,155,875	2,920,183
Due to central banks	1,632,589	1,000,784
Bank notes in circulation	10,462	10,445
Placements from banks and other financial institutions	521,055	524,974
Derivative financial liabilities	90,536	118,107
Due to customers	22,970,476	21,165,961
Bonds issued	2,189,080	1,944,314
Current tax liabilities	23,962	21,677
Retirement benefit obligations	1,477	1,594
Deferred income tax liabilities	101	69
Other liabilities	201,753	252,237
Total liabilities	30,797,366	27,960,345
EQUITY		
Share capital	322,212	294,388
Other equity instruments	369,953	409,513
— Preference shares	99,969	119,550
— Perpetual bonds	269,984	289,963
Capital reserve	268,783	132,329
Other comprehensive income	53,479	82,858
Statutory reserves	292,341	270,736
General and regulatory reserves	442,233	401,271
Undistributed profits	975,755	908,045
Total equity	2,724,756	2,499,140
Total equity and liabilities	33,522,122	30,459,485

Approved and authorised for issue by the Board of Directors on 30 March 2026.

GE Haijiao
Director

ZHANG Hui
Director

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

48 The Bank's statement of financial position and changes in equity (Continued)

48.2 The Bank's statement of changes in equity

	Share capital	Other equity instruments			Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Total
		Preference shares	Perpetual bonds							
As at 1 January 2025	294,388	119,550	289,963	132,329	82,858	270,736	401,271	908,045	2,499,140	
Total comprehensive income	-	-	-	-	(29,490)	-	-	215,270	185,780	
Issue of shares	27,824	-	-	137,128	-	-	-	-	164,952	
Capital contribution and reduction by other equity instruments holders	-	(19,581)	(19,979)	(676)	-	-	-	-	(40,236)	
Appropriation to statutory reserves	-	-	-	-	-	21,605	-	(21,605)	-	
Appropriation to general and regulatory reserves	-	-	-	-	-	-	40,962	(40,962)	-	
Dividends	-	-	-	-	-	-	-	(84,882)	(84,882)	
Other comprehensive income transferred to retained earnings	-	-	-	-	111	-	-	(111)	-	
Other	-	-	-	2	-	-	-	-	2	
As at 31 December 2025	322,212	99,969	269,984	268,783	53,479	292,341	442,233	975,755	2,724,756	

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

48 The Bank's statement of financial position and changes in equity (Continued)

48.2 The Bank's statement of changes in equity (Continued)

	Share capital	Other equity instruments		Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Total
		Preference shares	Perpetual bonds						
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

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V NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ITEMS (Continued)

49 Events after the financial reporting period

Redemption of 2021 RMB Tier 2 Capital Bonds First Tranche 01

According to the relevant terms and conditions in the prospectus for the issuance of the 2021 RMB Tier 2 Capital Bonds First Tranche 01, the bonds are subject to the redemption option of the issuer. With the approval of the NFRA, the bank fully redeemed the 2021 RMB Tier 2 Capital Bonds First Tranche 01 on 19 March 2026, with the redemption amount of RMB15 billion.

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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.

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. 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.

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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.

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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 statistical models 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.

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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.

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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 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.

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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 assess 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.41.3.

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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 transactions 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.

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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.

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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.

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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 asset as defaulted when it is credit-impaired. The standard adopted by the Group in determining whether a financial instrument 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.

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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 probability of default (“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.

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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 the measurement of ECL. In assessing the ECL as at 31 December 2025, 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 2025, the baseline scenario has the highest weighting with the remaining individual scenarios having a weighting of lower than 30%. The Group measures the 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 reporting period. Amongst these parameters, the annualised value of core one adopted by Chinese mainland in assessing the ECL as at 31 December 2025 under the baseline scenario is as follows:

Indicator	Range
Average Growth Rate of China's GDP in 2025-2027	Around 5.0%

The Group conducts sensitivity analysis on the weightings of multiple economic scenarios used in forward-looking measurement. As at 31 December 2025, 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%.

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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	
	2025	2024
Credit risk exposures relating to on-balance sheet financial assets are as follows:		
Due from banks and other financial institutions	507,490	513,291
Balances with central banks	2,467,104	2,467,857
Placements with and loans to banks and other financial institutions	1,498,427	1,442,072
Government certificates of indebtedness for bank notes issued	230,240	217,405
Derivative financial assets	132,841	183,177
Loans and advances to customers, net	22,876,769	21,055,282
Financial investments		
— Financial assets at fair value through profit or loss	509,190	379,594
— Financial assets at fair value through other comprehensive income	4,584,387	4,351,108
— Financial assets at amortised cost	4,271,083	3,371,035
Other assets	86,344	88,224
Subtotal	<u>37,163,875</u>	<u>34,069,045</u>
Credit risk exposures relating to off-balance sheet items are as follows:		
Letters of guarantee issued	1,225,755	1,212,109
Loan commitments and other credit commitments	<u>2,762,072</u>	<u>2,497,328</u>
Subtotal	<u>3,987,827</u>	<u>3,709,437</u>
Total	<u><u>41,151,702</u></u>	<u><u>37,778,482</u></u>

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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 2025 and 2024, 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 2025, 55.59% of the Group's total maximum credit exposure is derived from loans and advances to customers (31 December 2024: 55.73%) and 22.68% represents investments in debt securities (31 December 2024: 21.35%).

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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			
	2025		2024	
	Amount	% of total	Amount	% of total
Chinese mainland	20,283,221	86.65%	18,498,005	85.86%
Hong Kong (China), Macao (China), Taiwan (China)	2,004,182	8.56%	2,000,471	9.29%
Other countries and regions	1,120,111	4.79%	1,045,109	4.85%
Total	<u>23,407,514</u>	<u>100.00%</u>	<u>21,543,585</u>	<u>100.00%</u>

Chinese mainland	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
Northern China	2,989,130	14.74%	2,697,846	14.58%
Northeastern China	728,078	3.59%	693,359	3.75%
Eastern China	8,276,921	40.81%	7,600,261	41.09%
Central and Southern China	5,530,018	27.26%	5,084,339	27.49%
Western China	2,759,074	13.60%	2,422,200	13.09%
Total	<u>20,283,221</u>	<u>100.00%</u>	<u>18,498,005</u>	<u>100.00%</u>

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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), Taiwan (China)	Other countries and regions	Total
As at 31 December 2025				
Corporate loans and advances				
— Trade bills	2,416,602	58,123	102,328	2,577,053
— Other	11,843,543	1,219,918	941,797	14,005,258
Personal loans	<u>6,023,076</u>	<u>726,141</u>	<u>75,986</u>	<u>6,825,203</u>
Total	<u>20,283,221</u>	<u>2,004,182</u>	<u>1,120,111</u>	<u>23,407,514</u>

	Chinese mainland	Hong Kong (China), Macao (China), 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	<u>6,031,696</u>	<u>728,370</u>	<u>64,970</u>	<u>6,825,036</u>
Total	<u>18,498,005</u>	<u>2,000,471</u>	<u>1,045,109</u>	<u>21,543,585</u>

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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			
	2025		2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Commerce and services	4,379,457	18.71%	3,635,583	16.86%
Manufacturing	3,530,688	15.08%	3,034,553	14.09%
Transportation, storage and postal services	2,583,323	11.04%	2,420,419	11.23%
Production and supply of electricity, heating, gas and water	1,718,987	7.34%	1,535,592	7.13%
Real estate	1,518,197	6.49%	1,542,698	7.16%
Financial services	951,541	4.07%	772,646	3.59%
Construction	599,771	2.56%	534,358	2.48%
Water, environment and public utility management	485,961	2.08%	482,614	2.24%
Mining	374,620	1.60%	371,662	1.73%
Public utilities	263,843	1.13%	255,764	1.19%
Other	175,923	0.74%	132,660	0.62%
Subtotal	<u>16,582,311</u>	<u>70.84%</u>	<u>14,718,549</u>	<u>68.32%</u>
Personal loans				
Residential mortgages	4,572,805	19.54%	4,660,914	21.63%
Credit cards	498,822	2.13%	606,717	2.82%
Other	1,753,576	7.49%	1,557,405	7.23%
Subtotal	<u>6,825,203</u>	<u>29.16%</u>	<u>6,825,036</u>	<u>31.68%</u>
Total	<u><u>23,407,514</u></u>	<u><u>100.00%</u></u>	<u><u>21,543,585</u></u>	<u><u>100.00%</u></u>

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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			
	2025		2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Commerce and services	3,915,566	19.30%	3,184,738	17.22%
Manufacturing	3,229,361	15.92%	2,732,283	14.77%
Transportation, storage and postal services	2,374,684	11.71%	2,227,840	12.04%
Production and supply of electricity, heating, gas and water	1,429,773	7.05%	1,272,285	6.88%
Real estate	966,833	4.77%	967,297	5.23%
Financial services	686,713	3.39%	538,497	2.91%
Construction	557,679	2.75%	493,051	2.67%
Water, environment and public utility management	475,795	2.35%	476,392	2.57%
Mining	281,028	1.39%	259,771	1.40%
Public utilities	235,105	1.16%	227,207	1.23%
Other	107,608	0.52%	86,948	0.47%
Subtotal	14,260,145	70.31%	12,466,309	67.39%
Personal loans				
Residential mortgages	3,982,786	19.64%	4,089,266	22.11%
Credit cards	486,005	2.40%	593,403	3.21%
Other	1,554,285	7.65%	1,349,027	7.29%
Subtotal	6,023,076	29.69%	6,031,696	32.61%
Total	<u>20,283,221</u>	<u>100.00%</u>	<u>18,498,005</u>	<u>100.00%</u>

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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			
	2025		2024	
	Amount	% of total	Amount	% of total
Unsecured loans	9,439,362	40.33%	8,303,987	38.54%
Guaranteed loans	3,516,855	15.02%	2,962,636	13.75%
Loans secured by mortgages	8,249,547	35.24%	8,082,236	37.52%
Pledged loans	2,201,750	9.41%	2,194,726	10.19%
Total	<u>23,407,514</u>	<u>100.00%</u>	<u>21,543,585</u>	<u>100.00%</u>
Chinese mainland	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
Unsecured loans	8,097,703	39.92%	6,999,964	37.84%
Guaranteed loans	3,132,983	15.45%	2,594,743	14.03%
Loans secured by mortgages	7,198,640	35.49%	7,096,523	38.36%
Pledged loans	1,853,895	9.14%	1,806,775	9.77%
Total	<u>20,283,221</u>	<u>100.00%</u>	<u>18,498,005</u>	<u>100.00%</u>

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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					
	2025			2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland	239,277	83.07%	1.18%	216,089	80.40%	1.17%
Hong Kong (China), Macao (China), Taiwan (China)	36,535	12.68%	1.82%	38,304	14.25%	1.91%
Other countries and regions	12,224	4.25%	1.09%	14,388	5.35%	1.38%
Total	<u>288,036</u>	<u>100.00%</u>	<u>1.23%</u>	<u>268,781</u>	<u>100.00%</u>	<u>1.25%</u>

Chinese mainland	As at 31 December					
	2025			2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Northern China	31,672	13.24%	1.06%	31,827	14.73%	1.18%
Northeastern China	12,925	5.40%	1.78%	11,846	5.48%	1.71%
Eastern China	77,960	32.58%	0.94%	68,429	31.67%	0.90%
Central and Southern China	88,037	36.79%	1.59%	73,653	34.08%	1.45%
Western China	28,683	11.99%	1.04%	30,334	14.04%	1.25%
Total	<u>239,277</u>	<u>100.00%</u>	<u>1.18%</u>	<u>216,089</u>	<u>100.00%</u>	<u>1.17%</u>

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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					
	2025			2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	218,809	75.97%	1.32%	207,644	77.25%	1.41%
Personal loans	69,227	24.03%	1.01%	61,137	22.75%	0.90%
Total	<u>288,036</u>	<u>100.00%</u>	<u>1.23%</u>	<u>268,781</u>	<u>100.00%</u>	<u>1.25%</u>
Chinese mainland	As at 31 December					
	2025			2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	173,322	72.44%	1.22%	157,394	72.84%	1.26%
Personal loans	65,955	27.56%	1.10%	58,695	27.16%	0.97%
Total	<u>239,277</u>	<u>100.00%</u>	<u>1.18%</u>	<u>216,089</u>	<u>100.00%</u>	<u>1.17%</u>

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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					
	2025			2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland						
Corporate loans and advances						
Commerce and services	47,401	16.46%	1.21%	43,274	16.10%	1.36%
Manufacturing	28,350	9.84%	0.88%	29,485	10.97%	1.08%
Transportation, storage and postal services	7,043	2.45%	0.30%	6,138	2.28%	0.28%
Production and supply of electricity, heating, gas and water	10,482	3.64%	0.73%	11,562	4.30%	0.91%
Real estate	60,519	21.01%	6.26%	47,799	17.78%	4.94%
Financial services	2	0.00%	0.00%	145	0.05%	0.03%
Construction	7,422	2.58%	1.33%	7,047	2.62%	1.43%
Water, environment and public utility management	4,783	1.66%	1.01%	5,258	1.96%	1.10%
Mining	1,824	0.64%	0.65%	2,401	0.90%	0.92%
Public utilities	4,078	1.42%	1.73%	2,904	1.08%	1.28%
Other	1,418	0.48%	1.32%	1,381	0.52%	1.59%
Subtotal	<u>173,322</u>	<u>60.18%</u>	<u>1.22%</u>	<u>157,394</u>	<u>58.56%</u>	<u>1.26%</u>
Personal loans						
Residential mortgages	23,882	8.29%	0.60%	25,141	9.36%	0.61%
Credit cards	10,611	3.68%	2.18%	10,272	3.82%	1.73%
Other	31,462	10.92%	2.02%	23,282	8.66%	1.73%
Subtotal	<u>65,955</u>	<u>22.89%</u>	<u>1.10%</u>	<u>58,695</u>	<u>21.84%</u>	<u>0.97%</u>
Total for Chinese mainland	<u>239,277</u>	<u>83.07%</u>	<u>1.18%</u>	<u>216,089</u>	<u>80.40%</u>	<u>1.17%</u>
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions						
	48,759	16.93%	1.56%	52,692	19.60%	1.73%
Total	<u>288,036</u>	<u>100.00%</u>	<u>1.23%</u>	<u>268,781</u>	<u>100.00%</u>	<u>1.25%</u>

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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 2025			
Chinese mainland	239,277	(183,979)	55,298
Hong Kong (China), Macao (China), Taiwan (China)	36,535	(15,423)	21,112
Other countries and regions	12,224	(7,601)	4,623
	<u>288,036</u>	<u>(207,003)</u>	<u>81,033</u>
Total	<u><u>288,036</u></u>	<u><u>(207,003)</u></u>	<u><u>81,033</u></u>
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
	<u>268,781</u>	<u>(186,531)</u>	<u>82,250</u>
Total	<u><u>268,781</u></u>	<u><u>(186,531)</u></u>	<u><u>82,250</u></u>

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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 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
Portion covered	162,639	153,390	133,977	121,993
Portion not covered	56,170	54,254	39,345	35,401
Total	<u>218,809</u>	<u>207,644</u>	<u>173,322</u>	<u>157,394</u>

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 2025 and 2024, the amount of Group's rescheduled loans and advances that were not more than 90 days overdue was not material.

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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 2025					
Unsecured loans	18,788	24,819	9,711	1,829	55,147
Guaranteed loans	5,588	8,048	11,825	1,258	26,719
Loans secured by mortgages	61,136	53,371	55,153	13,354	183,014
Pledged loans	3,671	11,805	13,732	1,856	31,064
Total	<u>89,183</u>	<u>98,043</u>	<u>90,421</u>	<u>18,297</u>	<u>295,944</u>
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	<u>77,785</u>	<u>99,679</u>	<u>68,355</u>	<u>10,280</u>	<u>256,099</u>

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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 2025					
Unsecured loans	17,714	23,081	6,326	1,107	48,228
Guaranteed loans	5,511	7,508	7,244	1,122	21,385
Loans secured by mortgages	57,468	50,971	44,178	11,240	163,857
Pledged loans	<u>2,786</u>	<u>6,488</u>	<u>10,965</u>	<u>1,583</u>	<u>21,822</u>
Total	<u><u>83,479</u></u>	<u><u>88,048</u></u>	<u><u>68,713</u></u>	<u><u>15,052</u></u>	<u><u>255,292</u></u>
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	<u>2,983</u>	<u>5,725</u>	<u>7,625</u>	<u>1,577</u>	<u>17,910</u>
Total	<u><u>67,866</u></u>	<u><u>84,234</u></u>	<u><u>47,672</u></u>	<u><u>9,193</u></u>	<u><u>208,965</u></u>

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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	
	2025	2024
Chinese mainland	255,292	208,965
Hong Kong (China), Macao (China), Taiwan (China)	33,337	37,126
Other countries and regions	7,315	10,008
Subtotal	295,944	256,099
Percentage	1.26%	1.19%
Less: total loans and advances to customers which have been overdue for less than 3 months	(89,183)	(77,785)
Total loans and advances to customers which have been overdue for more than 3 months	<u>206,761</u>	<u>178,314</u>

(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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
Pass	22,603,928	169,692	–	22,773,620
Special-mention	–	343,070	–	343,070
Substandard	–	–	52,790	52,790
Doubtful	–	–	103,082	103,082
Loss	–	–	132,143	132,143
Total	<u>22,603,928</u>	<u>512,762</u>	<u>288,015</u>	<u>23,404,705</u>

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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 2024			Total
	12-month ECL	Lifetime ECL		
	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	<u>20,811,720</u>	<u>459,510</u>	<u>268,731</u>	<u>21,539,961</u>

As at 31 December 2025 and 2024, 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 2025 and 2024, 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 2025, 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.

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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 2024				
Issuers in Chinese mainland				
— Government	–	4,295,801	–	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
	<u>396,072</u>	<u>5,468,474</u>	<u>286,535</u>	<u>6,151,081</u>
Subtotal				
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
	<u>167,428</u>	<u>1,553,103</u>	<u>122,485</u>	<u>1,843,016</u>
Subtotal				
Total				
	<u><u>563,500</u></u>	<u><u>7,021,577</u></u>	<u><u>409,020</u></u>	<u><u>7,994,097</u></u>

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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 2025			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
Unrated	581,377	–	88	581,465
A to AAA	7,762,574	36	–	7,762,610
Lower than A	408,432	2,436	154	411,022
Total	<u>8,752,383</u>	<u>2,472</u>	<u>242</u>	<u>8,755,097</u>

	As at 31 December 2024			Total
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	
Unrated	555,575	476	858	556,909
A to AAA	6,726,578	48	–	6,726,626
Lower than A	334,436	6,540	18	340,994
Total	<u>7,616,589</u>	<u>7,064</u>	<u>876</u>	<u>7,624,529</u>

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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:

	As at 31 December	
	2025	2024
Risk-weighted assets for default risk		
Currency derivatives	62,451	64,061
Interest rate derivatives	8,227	6,181
Equity derivatives	433	481
Commodity derivatives and other	10,256	5,740
	81,367	76,463
Risk-weighted assets for CVA	34,010	29,943
Risk-weighted assets for CCPs	2,826	4,829
Total	<u>118,203</u>	<u>111,235</u>

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.

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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, foreign exchange rate and commodities that are held with trading intent or in order to hedge other elements of the trading book. Except from instruments in trading books, other instrument should be included in the banking book.

The Group has established a market risk management organisational structure that includes the Board of Directors, the senior management, the market risk management department, the business department, and the internal audit department. The Board of Directors shall take the ultimate responsibility for market risk management, ensure the establishment of risk culture in accordance with market risk management requirement, and make sure the effective identification, measurement, monitoring, and control of market risk arising from business operations. The senior management is responsible for the implementation of market risk management.

Market risk management departments shall be fully independent with business department, and responsible for the identification, measurement, monitoring, control and reporting of market risks on a Group basis. Business units are responsible for the implementation of risk management policies and procedures, and reporting of market risk on a regular and timely basis.

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 with multiple limits and tracks observances of each limit on a daily basis.

Value at Risk (“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.

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VI FINANCIAL RISK MANAGEMENT (Continued)**3 Market risk (Continued)****3.2 Market risk measurement techniques and limits (Continued)***(1) Trading book (Continued)*

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 with the tool of stress-testing by continuously capturing 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 2025 and 2024:

	Year ended 31 December					
	2025			2024		
	Average	High	Low	Average	High	Low
The Bank's trading VaR						
Interest rate risk	108.24	171.57	74.40	121.54	170.90	90.17
Foreign exchange risk	60.03	147.75	7.82	163.42	359.13	48.96
Volatility risk	5.31	17.80	1.26	4.82	13.22	2.14
Commodity risk	66.23	154.60	0.77	1.25	12.30	0.20
Total of the Bank's trading VaR	133.33	243.69	93.54	194.46	361.34	100.86

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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					
	2025			2024		
	Average	High	Low	Average	High	Low
BOCHK (Holdings)'s trading VaR						
Interest rate risk	15.04	20.64	11.69	13.28	17.89	8.18
Foreign exchange risk	5.51	7.88	3.17	5.40	8.22	3.32
Equity risk	1.11	1.33	0.61	0.30	1.02	0.04
Commodity risk	4.57	11.12	0.01	0.16	0.98	0.00
Total BOCHK (Holdings)'s trading VaR	<u>16.14</u>	<u>22.11</u>	<u>12.09</u>	<u>13.72</u>	<u>19.06</u>	<u>8.68</u>
BOCI's trading VaR ⁽ⁱ⁾						
Equity derivatives unit	0.58	1.06	0.25	0.32	0.89	0.14
Fixed income unit	0.50	0.75	0.07	0.87	1.75	0.52
Global commodity unit	0.23	0.30	0.18	0.30	0.48	0.20
Total BOCI's trading VaR	<u>0.88</u>	<u>1.40</u>	<u>0.46</u>	<u>1.41</u>	<u>2.75</u>	<u>0.75</u>

(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 were not added up to the total VaR as there was a diversification effect due to correlation amongst the risk factors.

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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.

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.

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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	
	2025	2024
+ 25 basis points	(4,494)	(3,443)
– 25 basis points	<u>4,494</u>	<u>3,443</u>

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 RMB20,326 million (2024: RMB20,462 million) for 25 basis points upward or downward parallel movements, respectively.

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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 2025						Total
	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	
Assets							
Cash and due from banks and other financial institutions	411,265	60,293	23,345	4,284	—	78,358	577,545
Balances with central banks	2,339,695	1,453	647	4,135	—	121,174	2,467,104
Placements with and loans to banks and other financial institutions	791,683	217,960	345,019	127,890	—	15,875	1,498,427
Derivative financial assets	—	—	—	—	—	132,841	132,841
Loans and advances to customers, net	5,750,100	5,530,626	10,737,320	585,467	88,719	184,537	22,876,769
Financial investments							
— Financial assets at fair value through profit or loss	30,738	74,142	123,584	169,887	102,584	256,778	757,713
— Financial assets at fair value through other comprehensive income	401,380	432,196	631,414	1,722,592	1,383,559	59,673	4,630,814
— Financial assets at amortised cost	63,868	309,364	367,701	1,474,042	2,054,074	2,034	4,271,083
Other financial assets	—	—	—	—	—	578,151	578,151
Total financial assets	9,788,729	6,626,034	12,229,030	4,088,297	3,628,936	1,429,421	37,790,447
Liabilities							
Due to banks and other financial institutions	2,029,986	430,431	614,306	43,705	—	68,875	3,187,303
Due to central banks	470,984	273,751	982,646	—	—	6,674	1,734,055
Placements from banks and other financial institutions	276,797	90,080	174,226	9,805	—	2,778	553,686
Derivative financial liabilities	—	—	—	—	—	131,022	131,022
Due to customers	12,539,005	2,764,915	5,386,939	4,835,552	31,334	624,686	26,182,431
Bonds issued	75,115	311,312	961,981	740,412	193,354	12,514	2,294,688
Other financial liabilities	26,297	35,305	13,842	3,210	1,735	382,096	462,485
Total financial liabilities	15,418,184	3,905,794	8,133,940	5,632,684	226,423	1,228,645	34,545,670
Total interest repricing gap	(5,629,455)	2,720,240	4,095,090	(1,544,387)	3,402,513	200,776	3,244,777

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VI FINANCIAL RISK MANAGEMENT (Continued)

3 Market risk (Continued)

3.3 GAP analysis (Continued)

	As at 31 December 2024					Total
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
Assets						
Cash and due from banks and other financial institutions	463,706	29,438	10,725	2,649	—	75,930
Balances with central banks	2,290,742	6,863	2,119	338	—	167,795
Placements with and loans to banks and other financial institutions	804,732	229,640	336,554	66,024	—	5,122
Derivative financial assets	—	—	—	—	—	183,177
Loans and advances to customers, net	5,085,790	4,372,572	10,577,845	680,920	118,180	219,975
Financial investments	—	—	—	—	—	290,465
— Financial assets at fair value through profit or loss	8,560	54,757	109,619	95,771	103,020	228,570
— Financial assets at fair value through other comprehensive income	319,764	374,458	606,682	1,683,275	1,355,758	49,008
— Financial assets at amortised cost	42,128	212,264	347,542	1,167,395	1,599,350	2,356
Other financial assets	—	—	—	17,851	—	290,465
Total financial assets	9,015,422	5,279,992	11,991,086	3,714,223	3,176,308	1,222,398
Liabilities						
Due to banks and other financial institutions	1,720,788	408,925	627,641	110,539	—	65,859
Due to central banks	180,866	358,219	562,609	—	—	10,322
Placements from banks and other financial institutions	376,518	67,317	131,288	28,259	—	3,819
Derivative financial liabilities	—	—	—	—	—	153,456
Due to customers	11,608,309	2,432,114	4,391,581	5,176,206	185	594,193
Bonds issued	98,663	276,875	915,155	532,585	220,320	12,951
Other financial liabilities	26,529	11,560	20,382	26,333	218	526,312
Total financial liabilities	14,011,673	3,555,010	6,648,656	5,873,922	220,723	1,366,912
Total interest repricing gap	(4,996,251)	1,724,982	5,342,430	(2,159,699)	2,955,585	(144,514)

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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.

Currency	Change in currency rate	Effect on profit before income tax		Effect on equity*	
		As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
		USD	+1%	483	512
HKD	+1%	<u>(219)</u>	<u>(339)</u>	<u>2,648</u>	<u>2,500</u>

* 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.

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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 2025 and 2024. 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 2025							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
Assets								
Cash and due from banks and other financial institutions	303,912	193,066	22,923	16,985	14,005	5,602	21,052	577,545
Balances with central banks	1,759,307	342,958	28,662	105,638	46,632	107,051	76,856	2,467,104
Placements with and loans to banks and other financial institutions	791,548	590,530	28,147	15,880	3,883	1,482	66,957	1,498,427
Derivative financial assets	58,234	38,567	8,101	2,196	9,678	6,526	9,539	132,841
Loans and advances to customers, net	19,828,132	1,027,851	1,189,421	285,793	28,710	80,343	436,519	22,876,769
Financial investments								
— Financial assets at fair value through profit or loss	424,356	166,822	126,824	32,432	3,576	2,728	975	757,713
— Financial assets at fair value through other comprehensive income	2,822,568	897,232	316,862	115,095	139,814	22,428	316,815	4,630,814
— Financial assets at amortised cost	3,822,081	311,344	30,492	19,267	331	3,630	83,938	4,271,083
Other	343,768	179,447	284,010	3,290	1,830	1,979	331,456	1,145,780
Total assets	30,153,906	3,747,817	2,035,442	596,576	248,459	231,769	1,344,107	38,358,076
Liabilities								
Due to banks and other financial institutions	2,425,699	471,982	78,026	36,127	19,181	3,303	152,985	3,187,303
Due to central banks	1,667,614	32,679	30,619	2,240	—	—	903	1,734,055
Placements from banks and other financial institutions	200,478	278,738	30,131	18,702	462	2,977	22,198	553,686
Derivative financial liabilities	57,176	45,599	5,168	1,635	4,388	6,961	10,095	131,022
Due to customers	20,707,947	2,629,337	1,640,221	350,996	153,587	60,278	640,065	26,182,431
Bonds issued	2,115,686	152,642	4,951	15,611	—	2,416	3,382	2,294,688
Other	427,513	163,743	423,402	3,905	1,453	10,472	36,279	1,066,767
Total liabilities	27,602,113	3,774,720	2,212,518	429,216	179,071	86,407	865,907	35,149,952
Net on-balance sheet position	2,551,793	(26,903)	(177,076)	167,360	69,388	145,362	478,200	3,208,124
Net off-balance sheet position	82,748	107,788	510,566	(147,209)	(58,096)	(138,091)	(371,437)	(13,731)
Credit commitments	2,729,170	668,709	203,425	217,618	10,201	48,489	110,215	3,987,827

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VI FINANCIAL RISK MANAGEMENT (Continued)

3 Market risk (Continued)

3.4 Foreign currency risk (Continued)

	As at 31 December 2024							Total
	RMB	USD	HKD	EURO	JPY	GBP	Other	
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

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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.

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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 2025						Total
	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	
Assets							
Cash and due from banks and other financial institutions	–	335,367	153,964	60,414	23,445	4,355	577,545
Balances with central banks	1,593,496	823,812	23,710	6,919	15,032	4,135	2,467,104
Placements with and loans to banks and other financial institutions	–	–	729,892	187,152	365,938	208,759	1,498,427
Derivative financial assets	–	15,010	27,074	22,905	28,162	29,815	132,841
Loans and advances to customers, net	72,881	349,189	806,864	1,715,639	6,065,718	6,568,598	22,876,769
Financial investments							
— Financial assets at fair value through profit or loss	253,208	–	27,977	72,964	124,777	175,551	757,713
— Financial assets at fair value through other comprehensive income	46,427	–	270,018	377,269	650,418	1,812,557	4,630,814
— Financial assets at amortised cost	379	–	56,603	144,887	369,038	1,489,976	4,271,083
Other	384,633	550,403	37,789	9,920	29,415	102,187	1,145,780
Total assets	2,351,024	2,073,781	2,133,891	2,598,069	7,671,943	10,395,933	38,358,076
Liabilities							
Due to banks and other financial institutions	–	1,950,349	142,350	430,542	618,734	45,328	3,187,303
Due to central banks	–	76,851	394,354	279,364	983,362	124	1,734,055
Placements from banks and other financial institutions	–	–	277,888	90,433	175,145	10,095	553,686
Derivative financial liabilities	–	12,939	30,502	26,201	21,861	30,111	131,022
Due to customers	–	10,585,510	2,538,448	2,776,135	5,398,241	4,852,688	26,182,431
Bonds issued	–	–	68,199	240,040	980,660	812,435	2,294,688
Other	260	365,819	81,425	58,297	126,156	114,341	1,066,767
Total liabilities	260	12,991,468	3,533,166	3,901,012	8,304,159	5,865,122	35,149,952
Net liquidity gap	2,350,764	(10,917,687)	(1,399,275)	(1,302,943)	(632,216)	4,530,811	3,208,124

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VI FINANCIAL RISK MANAGEMENT (Continued)

4 Liquidity risk (Continued)

4.2 Maturity analysis (Continued)

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

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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 2025							Total
	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	
Non-derivative cash flow								
Cash and due from banks and other								
financial institutions	–	335,367	154,403	60,717	24,144	4,634	–	579,265
Balances with central banks	1,593,496	823,812	23,710	6,929	15,229	4,299	–	2,467,475
Placements with and loans to banks and								
other financial institutions	–	–	732,070	191,484	375,741	223,235	9,458	1,531,988
Loans and advances to customers, net	73,447	349,189	841,202	1,805,305	6,497,027	7,948,750	9,254,789	26,769,709
Financial investments								
— Financial assets at fair value through profit or loss	253,208	–	28,389	73,960	130,514	198,790	166,001	850,862
— Financial assets at fair value through other comprehensive income	46,427	–	276,802	393,713	724,971	2,078,309	1,841,439	5,361,661
— Financial assets at amortised cost	379	–	63,748	163,932	449,652	1,813,084	2,645,563	5,136,358
Other financial assets	4,634	253,387	30,804	3,970	4,829	8,103	17,063	322,790
Total financial assets	1,971,591	1,761,755	2,151,128	2,700,010	8,222,107	12,279,204	13,934,313	43,020,108
Due to banks and other financial institutions								
Due to central banks	–	1,950,349	143,410	437,081	634,036	48,450	169	3,213,495
Placements from banks and other financial institutions	–	–	278,560	91,523	178,716	23,003	527	572,329
Due to customers	–	10,585,510	2,570,995	2,849,574	5,601,737	5,184,264	34,623	26,826,703
Bonds issued	–	–	69,294	245,668	1,003,964	910,896	289,468	2,519,290
Other financial liabilities	–	312,435	59,660	37,596	19,394	15,418	159,660	604,163
Total financial liabilities	–	12,925,145	3,517,508	3,942,974	8,435,312	6,182,155	484,447	35,487,541
Derivative cash flow								
Derivative financial instruments settled on a net basis								
	–	2,269	(103)	(266)	30	(91)	1,321	3,160
Derivative financial instruments settled on a gross basis								
Total inflow	–	283,071	4,981,027	3,223,121	4,195,264	964,182	233,218	13,879,883
Total outflow	–	(280,001)	(4,988,179)	(3,223,810)	(4,183,189)	(962,439)	(233,618)	(13,871,236)

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VI FINANCIAL RISK MANAGEMENT (Continued)

4 Liquidity risk (Continued)

4.3 Undiscounted cash flows by contractual maturities (Continued)

	As at 31 December 2024							Total
	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	
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)

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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 2025				
Loan commitments ⁽¹⁾	1,087,911	328,379	44,139	1,460,429
Guarantees, acceptances and other financial facilities	<u>1,982,386</u>	<u>369,996</u>	<u>175,016</u>	<u>2,527,398</u>
Subtotal	<u>3,070,297</u>	<u>698,375</u>	<u>219,155</u>	<u>3,987,827</u>
Capital commitments	<u>26,987</u>	<u>77,488</u>	<u>35,784</u>	<u>140,259</u>
Total	<u><u>3,097,284</u></u>	<u><u>775,863</u></u>	<u><u>254,939</u></u>	<u><u>4,128,086</u></u>
As at 31 December 2024				
Loan commitments ⁽¹⁾	1,170,453	370,332	50,285	1,591,070
Guarantees, acceptances and other financial facilities	<u>1,548,582</u>	<u>349,347</u>	<u>220,438</u>	<u>2,118,367</u>
Subtotal	<u>2,719,035</u>	<u>719,679</u>	<u>270,723</u>	<u>3,709,437</u>
Capital commitments	<u>27,623</u>	<u>70,793</u>	<u>23</u>	<u>98,439</u>
Total	<u><u>2,746,658</u></u>	<u><u>790,472</u></u>	<u><u>270,746</u></u>	<u><u>3,807,876</u></u>

(1) Included within "Loan commitments" are amounts relating to loan commitments and undrawn credit card limits. Refer to Note V.41.7.

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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.

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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 2025, 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 organises 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.

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VI FINANCIAL RISK MANAGEMENT (Continued)

5 Fair value (Continued)

5.1 Assets and liabilities measured at fair value (Continued)

	As at 31 December 2025			
	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, etc.	–	96,401	–	96,401
Derivative financial assets	76	132,765	–	132,841
Loans and advances to customers at fair value	–	1,234,871	21	1,234,892
Financial investments				
— Financial assets at fair value through profit or loss				
— Debt securities	50,614	448,701	756	500,071
— Equity instruments	17,273	409	103,674	121,356
— Fund investments and other	31,921	22,611	81,754	136,286
— Financial assets at fair value through other comprehensive income				
— Debt securities	616,130	3,960,855	–	4,576,985
— Equity instruments and other	8,676	14,038	31,115	53,829
Investment properties	–	1,911	22,046	23,957
	<u>–</u>	<u>1,911</u>	<u>22,046</u>	<u>23,957</u>
Liabilities measured at fair value				
Due to and placements from banks and other financial institutions at fair value	–	(21,343)	–	(21,343)
Due to customers at fair value	–	(44,267)	–	(44,267)
Bonds issued at fair value	–	(2,043)	–	(2,043)
Financial liabilities held for trading	(97)	(79,620)	–	(79,717)
Derivative financial liabilities	(140)	(130,882)	–	(131,022)
	<u>(140)</u>	<u>(130,882)</u>	<u>–</u>	<u>(131,022)</u>

BANK OF CHINA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(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 investments				
— 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
	<u>–</u>	<u>1,900</u>	<u>20,531</u>	<u>22,431</u>
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)
	<u>(551)</u>	<u>(152,905)</u>	<u>–</u>	<u>(153,456)</u>

BANK OF CHINA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(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 2025	749	1,169	100,705	67,809	23,521	20,531
Total gains and losses						
— (loss)/profit	—	(11)	3,945	(841)	—	(1,170)
— other comprehensive income	—	—	—	—	(540)	—
Sales	—	(39)	(11,941)	(5,495)	(2,072)	—
Purchases	21	121	10,965	20,490	10,321	1,990
Settlements	(730)	(483)	—	—	—	—
Transfers out of Level 3, net	—	—	—	—	—	(49)
Other changes	(19)	(1)	—	(209)	(115)	744
As at 31 December 2025	<u>21</u>	<u>756</u>	<u>103,674</u>	<u>81,754</u>	<u>31,115</u>	<u>22,046</u>
Total (losses)/gains for the period included in the statement of profit or loss for assets held as at 31 December 2025	<u>—</u>	<u>(11)</u>	<u>3,941</u>	<u>(610)</u>	<u>—</u>	<u>(1,170)</u>
	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	<u>749</u>	<u>1,169</u>	<u>100,705</u>	<u>67,809</u>	<u>23,521</u>	<u>20,531</u>
Total (losses)/gains for the period included in the statement of profit or loss for assets held as at 31 December 2024	<u>—</u>	<u>(85)</u>	<u>2,567</u>	<u>589</u>	<u>—</u>	<u>(1,026)</u>

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(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 2025 and 2024 included in the statements as well as total gains or losses included in the statements relating to financial instruments held as at 31 December 2025 and 2024 are presented in “Net trading gains”, “Net gains on transfers of financial assets”, “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 statement of profit or loss for the year comprise:

	Year ended 31 December					
	2025			2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Total (losses)/gains	<u>(227)</u>	<u>2,150</u>	<u>1,923</u>	<u>(366)</u>	<u>2,045</u>	<u>1,679</u>

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 2025 and the year ended 31 December 2024.

As at 31 December 2025, with all other variables held constant, if significant unobservable parameters such as discount rate, expected rate of return, liquidity discount and market sales rate applied in the valuation technique had changed by 10%, the impact on the amount of changes in fair value would not have been 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.

BANK OF CHINA LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(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			
	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Debt securities ⁽¹⁾	<u>4,255,332</u>	<u>4,415,796</u>	<u>3,350,582</u>	<u>3,577,742</u>
Financial liabilities				
Bonds issued ⁽²⁾	<u>2,292,645</u>	<u>2,300,041</u>	<u>2,054,579</u>	<u>2,083,642</u>

(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.

BANK OF CHINA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(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 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Debt securities	<u>174,200</u>	<u>4,046,072</u>	<u>227</u>	<u>4,220,499</u>
Financial liabilities				
Bonds issued	<u>–</u>	<u>2,300,041</u>	<u>–</u>	<u>2,300,041</u>
	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Debt securities	<u>164,597</u>	<u>3,217,685</u>	<u>54</u>	<u>3,382,336</u>
Financial liabilities				
Bonds issued	<u>–</u>	<u>2,083,642</u>	<u>–</u>	<u>2,083,642</u>

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 2025 and 2024 was insignificant. Fair value is measured using a discounted cash flow model.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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.

BANK OF CHINA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts in millions of Renminbi, unless otherwise stated)

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 directly issued additional tier 1 capital instruments 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.

BANK OF CHINA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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	
	2025	2024
Common equity tier 1 capital adequacy ratio	12.53%	12.20%
Tier 1 capital adequacy ratio	14.34%	14.38%
Capital adequacy ratio	<u>18.85%</u>	<u>18.76%</u>
Composition of the Group's capital base		
Common equity tier 1 capital	2,649,578	2,368,304
Common shares	322,212	294,388
Capital reserve	270,807	134,347
Surplus reserve	300,217	277,328
General reserve	454,587	414,370
Undistributed profits	1,206,485	1,115,638
Eligible portion of minority interests	33,503	37,204
Accumulated other comprehensive income	61,767	95,029
Regulatory deductions	(27,507)	(24,043)
Of which:		
Goodwill	(261)	(277)
Other intangible assets (excluding land use rights)	(27,151)	(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	<u>2,622,071</u>	<u>2,344,261</u>
Additional tier 1 capital	380,637	419,025
Directly issued additional tier 1 capital instruments and related premium	369,953	409,513
Eligible portion of minority interests	10,684	9,512
Net tier 1 capital	<u>3,002,708</u>	<u>2,763,286</u>
Tier 2 capital	943,159	842,286
Directly issued qualifying tier 2 capital instruments and related premium	689,895	589,894
Excess loss provisions	244,538	243,150
Eligible portion of minority interests	8,726	9,242
Net capital	<u>3,945,867</u>	<u>3,605,572</u>
Risk-weighted assets	<u>20,932,851</u>	<u>19,217,559</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Amounts in millions of Renminbi, unless otherwise stated)

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.

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.

BANK OF CHINA LIMITED**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 2025 and 2024 or total equity as at 31 December 2025 and 2024 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 2025				
Spot assets	4,357,554	1,780,024	2,281,361	8,418,939
Spot liabilities	(4,454,127)	(2,287,594)	(1,768,179)	(8,509,900)
Forward purchases	10,421,016	1,695,220	2,615,148	14,731,384
Forward sales	(10,268,252)	(1,212,883)	(3,133,868)	(14,615,003)
Net options position*	(7,845)	3,297	944	(3,604)
Net long/(short) position	<u>48,346</u>	<u>(21,936)</u>	<u>(4,594)</u>	<u>21,816</u>
Structural position	<u>14,194</u>	<u>264,796</u>	<u>136,010</u>	<u>415,000</u>
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	<u>51,212</u>	<u>(33,868)</u>	<u>(11,786)</u>	<u>5,558</u>
Structural position	<u>11,722</u>	<u>250,003</u>	<u>123,147</u>	<u>384,872</u>

* The net options position is calculated in accordance with the relevant provisions of the NFRA.

BANK OF CHINA LIMITED**SUPPLEMENTARY INFORMATION**

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)**2 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.

2.1 Total amount of overdue Loans and advances to customers

	As at 31 December	
	2025	2024
Total loans and advances to customers which have been overdue		
within 3 months	89,183	77,785
between 3 and 6 months	32,775	44,206
between 6 and 12 months	65,268	55,473
over 12 months	108,718	78,635
Total	<u>295,944</u>	<u>256,099</u>
Percentage		
within 3 months	0.38%	0.36%
between 3 and 6 months	0.14%	0.21%
between 6 and 12 months	0.28%	0.25%
over 12 months	0.46%	0.37%
Total	<u>1.26%</u>	<u>1.19%</u>

2.2 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 2025 and 2024 is not considered material.

BANK OF CHINA LIMITED

SUPPLEMENTARY INFORMATION

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

3 Global systemic importance assessment indicators of commercial banks

The Group calculated the global systemically important banks assessment indicators 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⁾	2025
Size	Adjusted on-balance and off-balance sheet assets	40,922,250
	Intra-financial system assets	2,610,233
Interconnectedness	Intra-financial system liabilities	3,538,529
	Securities and other financing instruments	6,030,801
Substitutability	Payments settled via payment systems or correspondent banks	1,075,758,996
	Assets under custody	18,228,535
	Underwritten transactions in debt and equity markets	1,893,469
	Trading volume of fixed income	10,474,625
	Trading volume of equities and other securities	1,140,788
Complexity	Notional amount of over-the-counter derivatives	21,900,441
	Trading and available for sale securities	1,477,189
	Level 3 assets	141,735
Cross-Jurisdictional	Cross-jurisdictional claims	6,476,079
	Cross-jurisdictional liabilities	5,835,117

(1) The indicators above are unaudited and prepared on a different basis compared with the financial and regulatory scope of consolidation.

BANK OF CHINA LIMITED**SUPPLEMENTARY INFORMATION**

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)**4 Domestic systemic importance assessment indicators of commercial banks for 2024**

The Group calculated the domestic systemic importance assessment indicators pursuant to the *Notice on Filing 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⁾	2024
Size	Adjusted on-balance and off-balance sheet assets	36,681,726
Interconnectedness	Intra-financial system assets	4,250,338
	Intra-financial system liabilities	4,543,404
	Securities and other financing instruments	2,822,809
Substitutability	Payments settled via payment systems or correspondent banks	1,059,516,801
	Assets under custody	15,145,203
	Agency and commission business	5,225,638
	Number of corporate customers (Unit: ten thousand)	787
	Number of personal customers (Unit: ten thousand)	38,945
Complexity	Number of domestic operating institutions (Unit: one)	10,282
	Derivatives	21,777,368
	Securities measured at fair value	1,286,558
	Assets of non-banking affiliates	787,654
	Balance of non-principal-guaranteed wealth management products issued by the Bank	35,391
	Balance of wealth management products issued by wealth management subsidiary	1,848,666
	Cross-jurisdictional claims and liabilities	10,987,474

- (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 the SSE on 17 July 2019. The Domestic Preference Shares (Fourth Tranche) began trading on the Comprehensive Business Platform of the SSE on 17 September 2019.

Ordinary Shares

Issued shares: 322,212,411,814 shares

Including:

A Share: 238,590,135,419 shares

H Share: 83,622,276,395 shares

Preference Shares

Domestic Preference Share: 1,000,000,000 shares

Market Capitalisation

As at the last trading day in 2025 (31 December), the Bank's market capitalisation was RMB1,703.982 billion (based on the closing price of A Shares and H Shares on 31 December 2025, using the exchange rate of HKD100 = RMB90.322 as published by the SAFE on 31 December 2025).

Securities Price

A Share	Closing price on 31 December 2025 RMB5.73	Highest trading price in the year RMB6.39	Lowest trading price in the year RMB5.13
H Share	Closing price on 31 December 2025 HKD4.46	Highest trading price in the year HKD4.80	Lowest trading price in the year HKD3.68

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

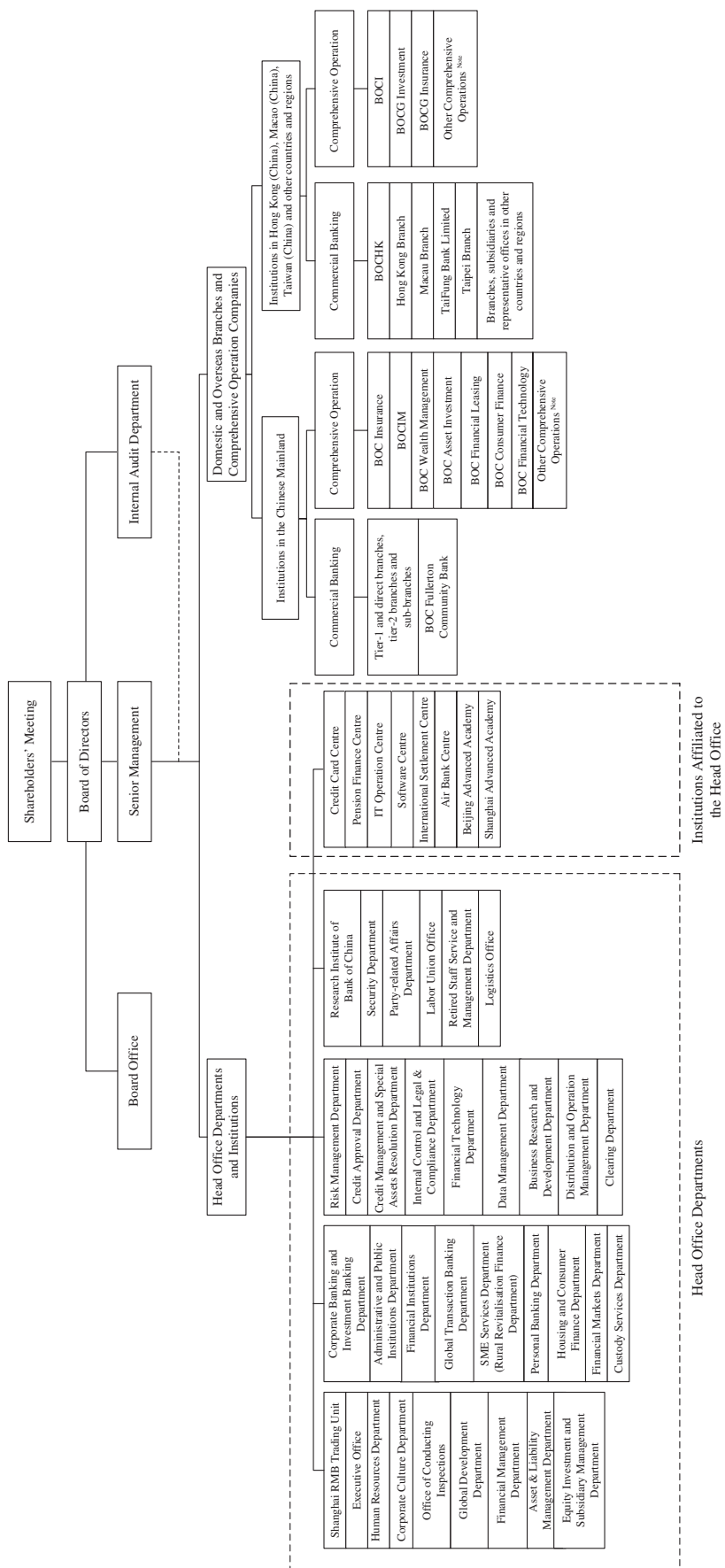
Investor Relations Team, Board Office, Bank of China Limited
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Telephone: (86) 10-6659 2638
E-mail: ir@bankofchina.com

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, Wan Chai, 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: Other Comprehensive Operations include BOC Aviation, BOC Life, BOC-Samsung Life, and BOCI China, among others.

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 XINHUA DAJIE,
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) 024-83188000
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,
ZHENGDDONG 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) 0771-2846527
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,
NANMING DISTRICT,
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

XIZANG BRANCH

113 JINZHU XI LU,
LHASA,
XIZANG 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,
TIANSHAN DISTRICT,
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,
LIANGJIANG NEW AREA,
CHONGQING,
CHINA
SWIFT: BKCHCNBJ59A
TEL: (86) 023-63889234
FAX: (86) 023-63889217
POST CODE: 400020

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,
ZHEJIANG PROV.,
CHINA
SWIFT: BKCHCNBJ92A
TEL: (86) 0574-55555099
FAX: (86) 0574-87198889
POST CODE: 315100

QINGDAO BRANCH

59 HONGKONG
MIDDLE ROAD,
QINGDAO,
SHANDONG PROV.,
CHINA
SWIFT: BKCHCNBJ50A
TEL: (86) 0532-81858098
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
NO. 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.**

1409-1410#, BOC BUILDING
NO. 200 MID. YINCHENG ROAD,
PUDONG NEW DISTRICT,
SHANGHAI,
CHINA
TEL: (86) 021-63291680
POST CODE: 200120
WEBSITE: www.boccfccn

**BOC INTERNATIONAL
(CHINA) CO., LTD.**

39/F, BOC BUILDING
NO. 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: 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.**

37F, 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: boci.huser01@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) 39069901
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

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.boclif.com.hk

MACAU BRANCH

BANK OF CHINA BUILDING,
AVENIDA DOUTOR MARIO
SOARES,
MACAO, CHINA
SWIFT: BKCHMOMX
TEL: (853) 88895566
FAX: (853) 28781833
EMAIL: bocmo@mo.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@mo.bank-of-china.com
WEBSITE: www.bankofchina.com/mo/

TAI FUNG BANK LIMITED

TAI FUNG BANK
HEADQUARTERS BUILDING,
NO. 418, ALAMEDA DR. CARLOS
d'ASSUMPÇÃO,
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
EMAIL: enquiry.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.co.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
HO CHI MINH CITY BRANCH**

11TH & 12TH
FLOORS, TIMES SQUARE,
22-36 NGUYEN HUE STREET,
SAIGON WARD,
HO CHI MINH 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.com.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: BKCHLALAXX
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
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