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中國工商銀行股份有限公司

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

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

Stock Code: 1398

USD Preference Shares Stock Code: 4620

## 2024 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) announces the annual audited results of the Bank and its subsidiaries for the year ended 31 December 2024. The Board of Directors and the Audit Committee of the Board of Directors of the Bank have reviewed and confirmed the audited annual results.

### 1. Corporate Information

#### 1.1 Basic Information

	Stock name	Stock code	Stock exchange on which shares are listed
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore Preference Share	ICBC 20USDPREF	4620	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange
	工行優 2	360036	

## 1.2 Contact

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## 2. Financial Highlights

Financial data and indicators in this annual results announcement are prepared in accordance with International Financial Reporting Standards (“IFRSs”) and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.

## 2.1 Financial Data

	2024	2023	2022	2021	2020
<b>Annual operating results</b>					
<b>(in RMB millions)</b>					
Net interest income	<b>637,405</b>	655,013	691,985	690,680	646,765
Net fee and commission income	<b>109,397</b>	119,357	129,325	133,024	131,215
Operating income	<b>786,126</b>	806,458	842,352	860,880	800,075
Operating expenses	<b>242,155</b>	238,698	239,351	236,227	206,585
Impairment losses on assets <sup>(2)</sup>	<b>126,663</b>	150,816	182,677	202,623	202,668
Operating profit	<b>417,308</b>	416,944	420,324	422,030	390,822
Profit before taxation	<b>421,827</b>	421,966	424,720	424,899	392,126
Net profit	<b>366,946</b>	365,116	362,110	350,216	317,685
Net profit attributable to equity holders of the parent company	<b>365,863</b>	363,993	361,132	348,338	315,906
Net cash flows from operating activities	<b>579,194</b>	<u>1,417,002</u>	<u>1,404,657</u>	<u>360,882</u>	<u>1,557,616</u>
<b>As at the end of reporting period</b>					
<b>(in RMB millions)</b>					
Total assets	<b>48,821,746</b>	44,697,079	39,610,146	35,171,383	33,345,058
Total loans and advances to customers	<b>28,372,229</b>	26,086,482	23,210,376	20,667,245	18,624,308
Corporate loans	<b>17,482,223</b>	16,145,204	13,826,966	12,194,706	11,102,733
Personal loans	<b>8,957,720</b>	8,653,621	8,234,625	7,944,781	7,115,279
Discounted bills	<b>1,932,286</b>	1,287,657	1,148,785	527,758	406,296
Allowance for impairment losses on loans <sup>(3)</sup>	<b>815,497</b>	756,391	672,762	603,983	531,161
Investment	<b>14,153,576</b>	11,849,668	10,533,702	9,257,760	8,591,139
Total liabilities	<b>44,834,480</b>	40,920,491	36,094,727	31,896,125	30,435,543
Due to customers	<b>34,836,973</b>	33,521,174	29,870,491	26,441,774	25,134,726
Corporate deposits	<b>15,507,405</b>	16,209,928	14,671,154	13,331,463	12,944,860
Personal deposits	<b>18,541,510</b>	16,565,568	14,545,306	12,497,968	11,660,536
Other deposits	<b>228,721</b>	210,185	199,465	250,349	261,389
Accrued interest	<b>559,337</b>	535,493	454,566	361,994	267,941
Due to banks and other financial institutions	<b>4,590,965</b>	3,369,858	3,187,712	2,921,029	2,784,259
Equity attributable to equity holders of the parent company	<b>3,969,841</b>	3,756,887	3,496,109	3,257,755	2,893,502
Share capital	<b>356,407</b>	356,407	356,407	356,407	356,407
Net common equity tier 1 capital <sup>(4)</sup>	<b>3,624,342</b>	3,381,941	3,121,080	2,886,378	2,653,002
Net tier 1 capital <sup>(4)</sup>	<b>3,949,453</b>	3,736,919	3,475,995	3,241,364	2,872,792
Net capital base <sup>(4)</sup>	<b>4,986,531</b>	4,707,100	4,281,079	3,909,669	3,396,186
Risk-weighted assets <sup>(4)</sup>	<b>25,710,855</b>	<u>24,641,631</u>	<u>22,225,272</u>	<u>21,690,349</u>	<u>20,124,139</u>

	2024	2023	2022	2021	2020
<b>Per share data (in RMB yuan)</b>					
Net asset value per share <sup>(5)</sup>	10.23	9.55	8.82	8.15	7.48
Basic earnings per share <sup>(6)</sup>	0.98	0.98	0.97	0.95	0.86
Diluted earnings per share <sup>(6)</sup>	<u>0.98</u>	<u>0.98</u>	<u>0.97</u>	<u>0.95</u>	<u>0.86</u>
	2024	2023	2022	2021	2020
<b>Credit rating</b>					
S&P <sup>(7)</sup>	A	A	A	A	A
Moody's <sup>(7)</sup>	<u>A1</u>	<u>A1</u>	<u>A1</u>	<u>A1</u>	<u>A1</u>

*Notes:* (1) Since 1 January 2023, the Group has implemented IFRS 17 – Insurance Contracts. In accordance with the IFRS requirements, the Group made retroactive adjustments to relevant data and indicators for the comparable periods in 2022. According to the accounting requirements of the Interim Measures for the Administration of the Gold Leasing Business issued by the PBC, the Group has made adjustments to the presentation of the interbank gold leasing business since 2023 and adjusted relevant data for the comparable periods in 2022 accordingly.

- (2) Calculated by adding credit impairment losses and impairment losses on other assets.
- (3) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.
- (4) Calculated in accordance with the Rules on Capital Management of Commercial Banks in 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable periods in 2023, 2022, 2021 and 2020.
- (5) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the reporting period by the total number of ordinary shares at the end of the reporting period.
- (6) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.
- (7) The rating results are in the form of “long-term foreign currency deposits rating”.

## 2.2 Financial Indicators

	2024	2023	2022	2021	2020
<b>Profitability (%)</b>					
Return on average total assets <sup>(1)</sup>	<b>0.78</b>	0.87	0.97	1.02	1.00
Return on weighted average equity <sup>(2)</sup>	<b>9.88</b>	10.66	11.45	12.15	11.95
Net interest spread <sup>(3)</sup>	<b>1.23</b>	1.41	1.72	1.92	1.97
Net interest margin <sup>(4)</sup>	<b>1.42</b>	1.61	1.92	2.11	2.15
Return on risk-weighted assets <sup>(5)</sup>	<b>1.46</b>	1.56	1.65	1.68	1.64
Ratio of net fee and commission income to operating income	<b>13.92</b>	14.80	15.35	15.45	16.40
Cost-to-income ratio <sup>(6)</sup>	<b>29.43</b>	28.28	27.22	26.36	24.76
<b>Asset quality (%)</b>					
Non-performing loans (“NPLs”) ratio <sup>(7)</sup>	<b>1.34</b>	1.36	1.38	1.42	1.58
Allowance to NPLs <sup>(8)</sup>	<b>214.91</b>	213.97	209.47	205.84	180.68
Allowance to total loans ratio <sup>(9)</sup>	<b>2.87</b>	2.90	2.90	2.92	2.85
<b>Capital adequacy (%)</b>					
Common equity tier 1 capital adequacy ratio <sup>(10)</sup>	<b>14.10</b>	13.72	14.04	13.31	13.18
Tier 1 capital adequacy ratio <sup>(10)</sup>	<b>15.36</b>	15.17	15.64	14.94	14.28
Capital adequacy ratio <sup>(10)</sup>	<b>19.39</b>	19.10	19.26	18.02	16.88
Total equity to total assets ratio	<b>8.17</b>	8.45	8.88	9.31	8.73
Risk-weighted assets to total assets ratio	<b>52.66</b>	55.13	56.11	61.67	60.35

Notes: (1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.

(2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.

(3) Calculated by the spread between yield on average balance of interest-generating assets and cost on average balance of interest-bearing liabilities.

(4) Calculated by dividing net interest income by the average balance of interest-generating assets.

(5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.

(6) Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

(7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.

(8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.

(9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.

(10) Calculated in accordance with the Rules on Capital Management of Commercial Banks in 2024. Calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) for the comparable periods in 2023, 2022, 2021 and 2020.

## 2.3 Quarterly Financial Data

	2024			
	Q1	Q2	Q3	Q4
(In RMB millions)				
Operating income	210,165	191,834	197,108	187,019
Net profit attributable to equity holders of the parent company	87,653	82,814	98,558	96,838
Net cash flows from operating activities	1,367,252	(1,340,269)	1,050,265	(498,054)

	2023			
	Q1	Q2	Q3	Q4
(In RMB millions)				
Operating income	218,461	210,445	194,614	182,938
Net profit attributable to equity holders of the parent company	90,164	83,580	94,929	95,320
Net cash flows from operating activities	1,105,614	191,655	611,850	(492,117)

## 2.4 Reconciliation of Differences between the Financial Statements Prepared under PRC GAAP and Those under IFRSs

In respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the year ended 31 December 2024 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

## 3. Business Review

In the past year, confronted by complex and grave external situations, the Bank maintained growth of pursuing progress while ensuring stability, achieving advancement in both quality and quantity. The Bank achieved a net profit of RMB366,946 million, edging up 0.5% year on year. The NPL ratio declined by 2 basis points to 1.34% at the end of the year. The allowance to NPLs gained by 0.94 percentage points to 214.91%. With the capital adequacy ratio climbing to 19.39%, ICBC continued to rank highly among large banks across the globe. Our A-share and H-share prices (unadjusted prices) soared on an annual basis by as much as 44.8% and 36.4%, respectively, demonstrating the recognition of the capital market.

In the past year, we adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly studied and implemented the guiding principles from the third plenary session of the 20<sup>th</sup> National Congress of the CPC and the Central Financial Work Conference. ICBC made a new start after its 40<sup>th</sup> anniversary, met difficulties head-on to strive hard for progress, successfully completed the main business objectives, made solid strides in the “five transformations”, saw steady improvements in core competitiveness, and wrote a new chapter in high-quality development towards a modern bank.

**In the journey, serving the real economy remained the original aspiration and mission.** The Bank kept in mind that it should act as the main force, continued to uphold “industry” and “commerce” as its major responsibilities and core businesses and proactively played a major role in the transmission of monetary policy. Throughout the year, both domestic RMB loans and bond investments increased by RMB2.3 trillion respectively, boosting sustained economic recovery and growth. While pursuing a reasonable increase in quantity, we were committed to seeking improvements in quality. Triggered by the implementation of the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, we further put the focus on promoting the integration of technological innovation and industrial innovation to boost new quality productive forces. Loans invested in the manufacturing industry, strategic emerging industries and green development increased by 13.7%, 16.7% and 19.1%, respectively, and the loan coverage ratio for Specialization, Refinement, Differentiation and Innovation (“SRDI”) enterprises and “Little Giants” rose by 3 percentage points. The Bank launched the campaign “Visiting 1,000 Enterprises and 10,000 Customers”, continued to refine online products and services such as Quick Lending for Operation, Online Revolving Loan and digital supply chains. With these efforts, inclusive loans and agriculture-related loans saw an increase of 29.9% and 21.9%, respectively. To fully cater to personal customers’ needs for business and consumption financing, personal consumption loans and personal business loans gained by 28.3% and 24.6%, respectively, which helped boost domestic demand and improve the people’s wellbeing. The Bank availed itself of the opportunity arising from widespread adoption of the personal pension system to provide a package of intelligent service solutions, maintained a leading position in the market in terms of the number of accounts opened and the amount of contributions, and took concrete steps to deliver on the commitment to become a bank “By Your Side and As Your Trust”.

**In the journey, value creation served as the long-standing main driver and stabilizer.** In the “AI+” era, the Bank took the initiative to embrace transformations, and worked hard to accelerate innovation of modes and reshaping of value in a forward-looking approach to relieve increasingly diminished traditional drivers of growth against the backdrop of narrowing interest margin. We took the lead in launching a hundreds of billion-level AI model technology system on finance to enable more than 20 types of business operations and 200 scenarios, which brought about a marked improvement in speed, quality and efficiency of service. The relevant project won PBC’s first prize in FinTech Development Award. In 2024, the Bank’s FinTech spending represented 3.63% of its operating income, and FinTech personnel accounted for 8.6% of the headcount of the Bank. To underscore modern finance, we were the first to introduce the service solution program for financial infrastructure customers, including exchanges and payment systems, moved faster to launch new services for financial infrastructure such as clearing, settlement, payment and custody, and continued to enrich the connotation of financial cooperation. We established a headquarters for free trade (FT) sub-accounting unit to pool the resources of branches in domestic free trade zones, foster synergy to build up our strength in offshore finance, and facilitate the RMB internationalization development in a stable, prudent and solid way. With focus on net operating income and EVA, we streamlined the evaluation system to alleviate burdens on primary-level organizations, created a stronger synergy through sharing responsibilities between horizontal and vertical relationships to march faster towards the goal of becoming a value creator and a modern bank.



**In the journey, risk prevention and control was an eternal topic and a cornerstone.** In accordance with the principle of “active prevention, smart control and comprehensive management”, ICBC worked hard to strike a balance between defusing risks and pursuing progress, and contributed its share to the promotion of financial stability by playing the role of “ballast stone” while consolidating its own security. In regard to corporate governance, the Bank integrated and set up the risk management and internal control committees, and moved faster to build the intelligent risk control platform, whose main functions had been launched. We continued to do a good job in improvements in the quality of assets, intensified the Head Office’s efforts to directly impose oversight on customers with large risk exposures, worked hard for narrowing risk exposures in such key areas as real estate and local government debt. Drawing lessons from the “Five Regulations”, we refined mechanisms and procedures to achieve better interplay between governance of the Group and governance of subsidiaries, moved forward with the construction of a data lake, consolidated supervisions and other measures to make group-wide management more penetrable and effective.

Currently, notable improvements in expectations and confidence, and sustained recovery and growth of the Chinese economy, which result from a combination of effective macro policies, have created more favorable conditions for the steady growth of the banking sector. The Bank’s management will earnestly implement the decisions and plans of the Party Central Committee and the State Council, focus on “a new journey for pursuing balance and tackling difficulties” to adhere to the guidance of the Party building theory and advance the “five transformations”, strive to fulfill targets set out in the Group’s 14<sup>th</sup> Five-Year Plan as well as the annual operation tasks set by the Board of Directors, and stay committed to the path of financial development with Chinese characteristics. **We will move faster to transition towards modern finance and a modern bank.** With focus on core products, core technologies and core scenarios, we will improve the top four new infrastructure services and build the “investment banking – asset management – wealth management – trade finance” ecological value chain to build up our capacity for pricing, transactions and risk allocation of RMB-denominated assets, and promoted the replacement of old growth drivers with new ones in an orderly way. **We will branch out in view of the broadest customer base and the whole spectrum of products.** We will place equal emphasis on “allocating the land and creating the land”, roll out a full range of products to match and cater to needs of “large, medium, small and micro enterprises and personal customers”, and continue to promote industrial balance, regional balance, customer balance and product balance to have the Chinese economy’s structure fully embodied in ICBC’s balance sheet. **We will seek productivity from the perspectives of FinTech and digital technology.** We will implement faster the D-ICBC initiative, consolidate data foundation, and develop our open source ecology, enhance our capacity for module R&D and customized output to help translate technological superiority into core competitiveness and value creation, and provide stronger vitality and impetus for building a world-class and modern financial institution with Chinese characteristics.

Looking into 2025, we will continue to strive hard for good performance to give back to the trust of a vast number of investors and people from all sectors of society.



## **4. Discussion and Analysis**

### **4.1 Financial Statements Analysis**

#### **4.1.1 Income Statement Analysis**

In 2024, the Bank closely aligned with serving the Chinese modernization, adhered to the principle of seeking progress while maintaining stability and promoting stability through progress, and promoted its own high-quality development by contributing to the high-quality development of the economy and society. In the year, the Bank realized a net profit of RMB366,946 million, representing an increase of RMB1,830 million or 0.5% as compared to the previous year. Return on average total assets stood at 0.78%, and return on weighted average equity was 9.88%. Operating income amounted to RMB786,126 million, representing a decrease of 2.5%. Specifically, net interest income decreased by 2.7% to RMB637,405 million; non-interest income was RMB148,721 million, down by 1.8%. Operating expenses amounted to RMB242,155 million, representing an increase of 1.4%, and the cost-to-income ratio was 29.43%. Impairment losses on assets were RMB126,663 million, representing a decrease of 16.0%. Income tax expense decreased by 3.5% to RMB54,881 million.

#### **Net Interest Income**

In 2024, net interest income was RMB637,405 million, RMB17,608 million or 2.7% lower than that of last year, accounting for 81.1% of the Bank's operating income. Interest income grew by RMB22,909 million or 1.6% to RMB1,427,948 million and interest expenses increased by RMB40,517 million or 5.4% to RMB790,543 million. Affected by factors such as reduction in the LPR, batch adjustments of outstanding mortgage rates and changes in the structure of deposit maturities, net interest spread and net interest margin ("NIM") were 1.23% and 1.42% respectively, down 18 basis points and 19 basis points respectively from the previous year.

## AVERAGE YIELD OF INTEREST-GENERATING ASSETS AND AVERAGE COST OF INTEREST-BEARING LIABILITIES

*In RMB millions, except for percentages*

Item	Average balance	2024 Interest income/ expense	Average yield/cost (%)	Average balance	2023 Interest income/ expense	Average yield/cost (%)
<b>Assets</b>						
Loans and advances to customers	27,599,928	937,938	3.40	25,006,605	951,845	3.81
Investment	11,723,126	365,208	3.12	10,266,019	338,267	3.30
Due from central banks <sup>(2)</sup>	3,161,419	54,174	1.71	3,230,841	53,815	1.67
Due from banks and other financial institutions <sup>(3)</sup>	<u>2,496,488</u>	<u>70,628</u>	2.83	<u>2,172,554</u>	<u>61,112</u>	2.81
<b>Total interest-generating assets</b>	<u>44,980,961</u>	<u>1,427,948</u>	3.17	<u>40,676,019</u>	<u>1,405,039</u>	3.45
Non-interest-generating assets	2,757,010			2,510,696		
Allowance for impairment losses on assets	<u>(853,348)</u>			<u>(776,831)</u>		
<b>Total assets</b>	<u><u>46,884,623</u></u>			<u><u>42,409,884</u></u>		
<b>Liabilities</b>						
Deposits	32,745,057	564,039	1.72	31,141,446	589,688	1.89
Due to banks and other financial institutions <sup>(3)</sup>	5,937,956	156,622	2.64	4,058,487	103,529	2.55
Debt securities and certificates of deposit issued	<u>2,070,321</u>	<u>69,882</u>	3.38	<u>1,508,148</u>	<u>56,809</u>	3.77
<b>Total interest-bearing liabilities</b>	<u>40,753,334</u>	<u>790,543</u>	1.94	<u>36,708,081</u>	<u>750,026</u>	2.04
Non-interest-bearing liabilities	<u>2,168,164</u>			<u>2,065,143</u>		
<b>Total liabilities</b>	<u><u>42,921,498</u></u>			<u><u>38,773,224</u></u>		
<b>Net interest income</b>		<u><u>637,405</u></u>			<u><u>655,013</u></u>	
<b>Net interest spread</b>			<u><u>1.23</u></u>			<u><u>1.41</u></u>
<b>Net interest margin</b>			<u><u>1.42</u></u>			<u><u>1.61</u></u>

Notes: (1) The average balances of interest-generating assets and interest-bearing liabilities represent their daily average balances. The average balances of non-interest-generating assets, non-interest-bearing liabilities and the allowance for impairment losses on assets represent the average of the balances at the beginning of the year and at the end of the year.

(2) Due from central banks mainly includes mandatory reserves and surplus reserves with central banks.

(3) Due from banks and other financial institutions includes the amount of reverse repurchase agreements, and due to banks and other financial institutions includes the amount of repurchase agreements.

## Interest Income

### • Interest Income on Loans and Advances to Customers

Interest income on loans and advances to customers was RMB937,938 million, RMB13,907 million or 1.5% lower as compared to that of last year, mainly due to the decrease of 41 basis points in the average yield of loans and advances to customers, and the increase of 10.4% in the average balance partially offset the effect of yield decrease.

### ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY MATURITY STRUCTURE

*In RMB millions, except for percentages*

Item	Average balance	2024	Average yield (%)	Average balance	2023	Average yield (%)
		Interest income			Interest income	
Short-term loans	6,553,251	178,067	2.72	5,655,318	175,442	3.10
Medium to long-term loans	21,046,677	759,871	3.61	19,351,287	776,403	4.01
<b>Total loans and advances to customers</b>	<b>27,599,928</b>	<b>937,938</b>	<b>3.40</b>	<b>25,006,605</b>	<b>951,845</b>	<b>3.81</b>

### ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	Average balance	2024	Average yield (%)	Average balance	2023	Average yield (%)
		Interest income			Interest income	
Corporate loans	16,213,330	528,356	3.26	14,300,597	510,998	3.57
Discounted bills	1,516,543	18,516	1.22	1,179,865	17,341	1.47
Personal loans	8,597,971	314,074	3.65	8,225,400	348,029	4.23
Overseas business	1,272,084	76,992	6.05	1,300,743	75,477	5.80
<b>Total loans and advances to customers</b>	<b>27,599,928</b>	<b>937,938</b>	<b>3.40</b>	<b>25,006,605</b>	<b>951,845</b>	<b>3.81</b>

- **Interest Income on Investment**

Interest income on investment amounted to RMB365,208 million, representing an increase of RMB26,941 million or 8.0% as compared to that of last year, mainly due to the increase of 14.2% in the average balance of investment, and the decrease of 18 basis points in the average yield partially offset the effect of scale growth.

- **Interest Income on Due from Central Banks**

Interest income on due from central banks was RMB54,174 million, representing an increase of RMB359 million or 0.7% as compared to that of last year.

- **Interest Income on Due from Banks and Other Financial Institutions**

Interest income on due from banks and other financial institutions was RMB70,628 million, representing an increase of RMB9,516 million or 15.6% as compared to that of last year, primarily due to the scale growth of lending from peers.

## **Interest Expense**

- **Interest Expense on Deposits**

Interest expense on deposits amounted to RMB564,039 million, representing a decrease of RMB25,649 million or 4.3% over the previous year, primarily due to the decrease of 17 basis points in the average cost. The Bank implemented a market-oriented adjustment mechanism for deposit rates, guided the optimization of deposit structures, promoted a downward adjustment in the interest rates of newly absorbed time deposits, and reduced the interest payment costs on deposits.

## ANALYSIS OF AVERAGE DEPOSIT COST BY PRODUCTS

*In RMB millions, except for percentages*

Item	Average balance	2024	Average cost (%)	Average balance	2023	Average cost (%)
		Interest expense			Interest expense	
<b>Corporate deposits</b>						
Time deposits	7,836,374	181,905	2.32	7,503,647	199,149	2.65
Demand deposits	6,762,187	60,071	0.89	7,228,582	73,564	1.02
<b>Subtotal</b>	<b>14,598,561</b>	<b>241,976</b>	<b>1.66</b>	<b>14,732,229</b>	<b>272,713</b>	<b>1.85</b>
<b>Personal deposits</b>						
Time deposits	10,994,438	261,960	2.38	9,535,044	254,834	2.67
Demand deposits	6,004,057	10,333	0.17	5,807,411	15,135	0.26
<b>Subtotal</b>	<b>16,998,495</b>	<b>272,293</b>	<b>1.60</b>	<b>15,342,455</b>	<b>269,969</b>	<b>1.76</b>
<b>Overseas business</b>	<b>1,148,001</b>	<b>49,770</b>	<b>4.34</b>	<b>1,066,762</b>	<b>47,006</b>	<b>4.41</b>
<b>Total deposits</b>	<b>32,745,057</b>	<b>564,039</b>	<b>1.72</b>	<b>31,141,446</b>	<b>589,688</b>	<b>1.89</b>

- **Interest Expense on Due to Banks and Other Financial Institutions**

Interest expense on due to banks and other financial institutions was RMB156,622 million, RMB53,093 million or 51.3% higher than that of last year, principally attributable to the appropriate arrangement of borrowing funds and diversified expansion of liability sources.

- **Interest Expense on Debt Securities and Certificates of Deposit Issued**

Interest expense on debt securities and certificates of deposits issued was RMB69,882 million, indicating an increase of RMB13,073 million or 23.0% over last year, mainly due to the increased scale of the negotiable certificates of deposit (“NCDs”).

### **Non-interest Income**

In 2024, non-interest income was RMB148,721 million, which was RMB2,724 million or 1.8% lower than that of last year, accounting for 18.9% of the operating income. Specifically, net fee and commission income decreased by RMB9,960 million or 8.3% to RMB109,397 million, and other non-interest related gains rose by RMB7,236 million or 22.6% to RMB39,324 million.

## NET FEE AND COMMISSION INCOME

*In RMB millions, except for percentages*

Item	2024	2023	Increase/ (decrease)	Growth rate (%)
Settlement, clearing business and cash management	42,755	45,418	(2,663)	(5.9)
Investment banking business	19,724	20,060	(336)	(1.7)
Personal wealth management and private banking services	17,880	22,582	(4,702)	(20.8)
Bank card business	17,853	17,906	(53)	(0.3)
Corporate wealth management services	10,850	11,770	(920)	(7.8)
Asset custody business	8,045	7,994	51	0.6
Guarantee and commitment business	4,185	7,296	(3,111)	(42.6)
Trust and agency services	2,019	1,950	69	3.5
Others	2,866	2,915	(49)	(1.7)
<b>Fee and commission income</b>	<b>126,177</b>	<b>137,891</b>	<b>(11,714)</b>	<b>(8.5)</b>
<b>Less: Fee and commission expense</b>	<b>16,780</b>	<b>18,534</b>	<b>(1,754)</b>	<b>(9.5)</b>
<b>Net fee and commission income</b>	<b>109,397</b>	<b>119,357</b>	<b>(9,960)</b>	<b>(8.3)</b>

The Bank's net fee and commission income was RMB109,397 million, representing a decrease of RMB9,960 million or 8.3% over last year. The Bank continuously expanded its asset custody business and trust and agency services, so that related income increased accordingly. Meanwhile, affected by the implementation of insurance policy of "fee rate practices consistent with those reported to regulators", reform of public fund fee rate and other factors, income from personal wealth management and private banking, and corporate wealth management services dropped. The decreased fee rates of guarantee and commitment business resulted in a decline in relevant income.

## OTHER NON-INTEREST RELATED GAINS

*In RMB millions, except for percentages*

Item	2024	2023	Increase/ (decrease)	Growth rate (%)
Net trading income	19,440	14,928	4,512	30.2
Net gains on financial investments	22,961	21,560	1,401	6.5
Other operating expense, net	(3,077)	(4,400)	1,323	N/A
<b>Total</b>	<b>39,324</b>	<b>32,088</b>	<b>7,236</b>	<b>22.6</b>

Other non-interest related gains amounted to RMB39,324 million, RMB7,236 million or 22.6% higher than that of the previous year. Among these, the increase in net trading income was mainly due to the increase in equity instrument and bond investment income, the increase in net gains on financial investments was primarily due to the increase in net gains on equity instruments and fund investments measured at fair value through profit or loss, while the decrease in other net operating expense was mainly because of the decrease in net losses on exchange and exchange rate products and the increase in insurance service income and income from operating lease business at the same time.

## Operating Expenses

*In RMB millions, except for percentages*

<b>Item</b>	<b>2024</b>	<b>2023</b>	<b>Increase/ (decrease)</b>	<b>Growth rate (%)</b>
Staff costs	<b>144,554</b>	141,405	3,149	2.2
Property and equipment expenses	<b>27,274</b>	28,534	(1,260)	(4.4)
Taxes and surcharges	<b>10,765</b>	10,662	103	1.0
Amortisation	<b>5,157</b>	4,429	728	16.4
Others	<b>54,405</b>	53,668	737	1.4
<b>Total</b>	<b><u>242,155</u></b>	<b><u>238,698</u></b>	<b><u>3,457</u></b>	<b>1.4</b>

## Impairment Losses

The Bank's credit impairment losses amounted to RMB125,739 million, indicating a decrease of RMB23,069 million or 15.5% as compared to that of last year. Specifically, the impairment losses on loans were RMB122,479 million, indicating a decrease of RMB20,943 million or 14.6%. Impairment losses on other assets were RMB924 million, indicating a decrease of RMB1,084 million or 54.0%.

## Income Tax Expense

Income tax expense decreased by RMB1,969 million or 3.5% to RMB54,881 million as compared to the previous year. The effective tax rate stood at 13.01%, lower than the statutory tax rate of 25%, primarily because the interest income on Chinese government bonds and local government bonds was exempted from tax under the relevant tax law.



## 4.1.2 Segment Information

### SUMMARY OPERATING SEGMENT INFORMATION

*In RMB millions, except for percentages*

Item	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Operating income</b>	<b>786,126</b>	<b>100.0</b>	806,458	100.0
Corporate banking	382,329	48.6	381,914	47.3
Personal banking	310,138	39.5	317,856	39.4
Treasury operations	89,675	11.4	101,420	12.6
Others	3,984	0.5	5,268	0.7
<b>Profit before taxation</b>	<b>421,827</b>	<b>100.0</b>	421,966	100.0
Corporate banking	244,892	58.1	186,946	44.3
Personal banking	98,710	23.4	150,474	35.7
Treasury operations	75,270	17.8	77,165	18.3
Others	2,955	0.7	7,381	1.7

### SUMMARY GEOGRAPHICAL SEGMENT INFORMATION

*In RMB millions, except for percentages*

Item	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Operating income</b>	<b>786,126</b>	<b>100.0</b>	806,458	100.0
Head Office	23,610	3.0	24,896	3.1
Yangtze River Delta	151,491	19.3	155,716	19.3
Pearl River Delta	105,074	13.4	115,266	14.3
Bohai Rim	163,709	20.8	161,992	20.1
Central China	111,541	14.2	117,206	14.5
Western China	124,922	15.9	132,478	16.4
Northeastern China	29,793	3.8	30,429	3.8
Overseas and others	76,019	9.6	68,533	8.5
Eliminations	(33)	(0.0)	(58)	(0.0)
<b>Profit before taxation</b>	<b>421,827</b>	<b>100.0</b>	421,966	100.0
Head Office	32,139	7.6	(16,378)	(3.9)
Yangtze River Delta	80,715	19.1	95,935	22.7
Pearl River Delta	43,876	10.4	60,159	14.3
Bohai Rim	102,730	24.4	104,324	24.7
Central China	49,374	11.7	57,560	13.6
Western China	55,680	13.2	70,825	16.8
Northeastern China	11,054	2.6	11,207	2.7
Overseas and others	46,259	11.0	38,334	9.1
Eliminations	–	–	–	–

### 4.1.3 Balance Sheet Analysis

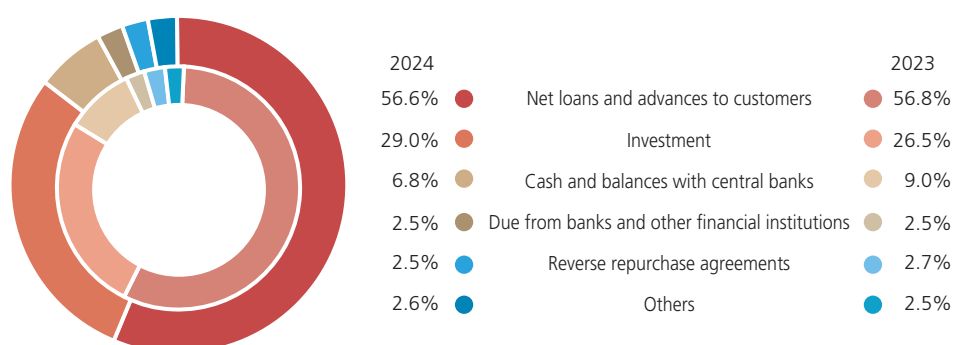
In 2024, the Bank earnestly implemented macroeconomic and financial policies and regulatory requirements, made efforts to build a clean and healthy balance sheet by dynamically optimizing the strategies for total assets and liabilities and structural distribution, and managed to achieve a dynamic balance of value creation, market position, risk control and capital constraints.

The Bank adhered to the integrated development strategy of investment and financing, supported the high-quality economic development by focusing on the modern layout, carried out a raft of incremental policies in a proactive manner to stabilize the country's economy, and allocated more resources to the “Five Priorities”, “Major Strategies and Key Fields”, “Renewal and Trade-in” and “Three Major Projects”<sup>1</sup>, and other key areas and weak links, so as to help accelerate the development of new quality productive forces. The Bank enhanced its diversified development capacity in liabilities, continued to promote the GBC+ projects, built a customer structure coordinated with “large, medium, small and micro enterprises and personal customers”, and promoted deposits in maintaining the momentum of high-quality development. Following changes in the market situations, the Bank continued to improve the fund source mechanism of multiple channels such as financial bonds and NCDs, and promoted the matching of fund source and fund utilization.

#### Assets Deployment

As at the end of 2024, total assets amounted to RMB48,821,746 million, RMB4,124,667 million or 9.2% higher than that at the end of the previous year. Specifically, total loans and advances to customers (collectively referred to as “total loans”) increased by RMB2,285,747 million or 8.8% to RMB28,372,229 million, investment increased by RMB2,303,908 million or 19.4% to RMB14,153,576 million, and cash and balances with central banks decreased by RMB719,382 million or 17.8% to RMB3,322,911 million.

#### Structure of assets



<sup>1</sup> “Major Strategies and Key Fields” refer to implementation of major national strategies and the construction of security capabilities in key areas; “Renewal and Trade-in” refer to equipment renewal and trade-in of old consumer goods; “Three Major Projects” refer to government-subsidized housing, urban village redeveloping and dual-use public infrastructure that can accommodate emergency needs.

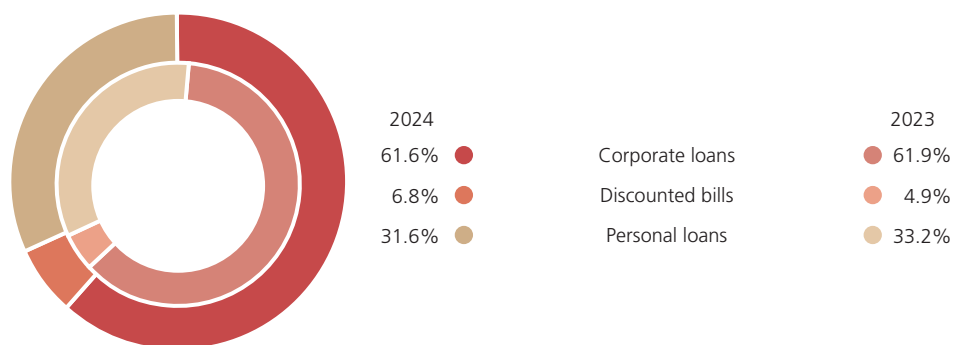
*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	28,372,229	–	26,086,482	–
Add: Accrued interest	56,624	–	56,452	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	815,072	–	756,001	–
Net loans and advances to customers <sup>(1)</sup>	27,613,781	56.6	25,386,933	56.8
Investment	14,153,576	29.0	11,849,668	26.5
Cash and balances with central banks	3,322,911	6.8	4,042,293	9.0
Due from banks and other financial institutions	1,219,876	2.5	1,116,717	2.5
Reverse repurchase agreements	1,210,217	2.5	1,224,257	2.7
Others	1,301,385	2.6	1,077,211	2.5
<b>Total assets</b>	<b>48,821,746</b>	<b>100.0</b>	<b>44,697,079</b>	<b>100.0</b>

• **Loan**

The Bank was deeply committed to implementing major national strategies, and focused on enhancing the efficiency of credit resource allocation and fund utilization. It continuously optimized the destination and structure of loans, and precisely granted credit loans to key areas, to fully support the coordinated regional development strategy and actively empower the development of new quality productive forces. Additionally, the Bank vigorously promoted the transformation of the personal loan structure, and emphasized the role of personal loan services in stabilizing the housing market, stimulating consumption and supporting the development of market entities. As at the end of 2024, total loans amounted to RMB28,372,229 million, RMB2,285,747 million or 8.8% higher compared with the end of the previous year, of which, RMB denominated loans of domestic branches were RMB26,695,581 million, up by RMB2,304,056 million or 9.4%.

**Distribution of loans by business line**



## DISTRIBUTION OF LOANS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans	17,482,223	61.6	16,145,204	61.9
Short-term corporate loans	3,819,683	13.5	3,681,064	14.1
Medium to long-term corporate loans	13,662,540	48.1	12,464,140	47.8
Discounted bills	1,932,286	6.8	1,287,657	4.9
Personal loans	8,957,720	31.6	8,653,621	33.2
Residential mortgages	6,083,180	21.5	6,288,468	24.1
Personal consumption loans	421,195	1.5	328,286	1.3
Personal business loans	1,677,981	5.9	1,347,136	5.2
Credit card overdrafts	775,364	2.7	689,731	2.6
<b>Total</b>	<b><u>28,372,229</u></b>	<b><u>100.0</u></b>	<b><u>26,086,482</u></b>	<b><u>100.0</u></b>

The Bank continued to strengthen its credit support for fields such as the “Five Priorities”, “Major Strategies and Key Fields” and “Renewal and Trade-in”, and loans to manufacturing, sci-tech innovation, green finance, inclusive finance, agriculture-related field and other key fields achieved rapid growth. Corporate loans rose by RMB1,337,019 million or 8.3% from the end of last year. Specifically, short-term corporate loans and medium to long-term corporate loans increased by RMB138,619 million and RMB1,198,400 million respectively.

The Bank implemented the new policies for personal housing loans, successfully completed the batch adjustment of outstanding mortgage rates, and vigorously promoted the transformation and development of individual housing resale loans, to better meet the reasonable housing needs of the people. It innovatively launched the renewal loan business for combined consumption and business loans secured by personal real estate, to meet customers’ financing needs for business operations and consumption in an all-round manner. The Bank also increased financial support for trade-ins of automobile, home renovation and furniture, and home appliance, and enhanced the empowerment for scenarios of personal loans and credit card installment. Personal loans increased by RMB304,099 million or 3.5% from the end of last year. Specifically, personal consumption loans grew by RMB92,909 million or 28.3%, and personal business loans increased by RMB330,845 million or 24.6%.

## DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Pass	27,418,600	96.64	25,250,275	96.79
Special mention	574,171	2.02	482,705	1.85
NPLs	379,458	1.34	353,502	1.36
Substandard	85,881	0.31	98,527	0.38
Doubtful	103,049	0.36	116,527	0.45
Loss	190,528	0.67	138,448	0.53
<b>Total</b>	<b>28,372,229</b>	<b>100.00</b>	<b>26,086,482</b>	<b>100.00</b>

According to the five-category classification, pass loans amounted to RMB27,418,600 million at the end of 2024, representing an increase of RMB2,168,325 million when compared with the end of the previous year and accounting for 96.64% of total loans. Special mention loans stood at RMB574,171 million, representing an increase of RMB91,466 million and accounting for 2.02% of the total, with an increase of 0.17 percentage points. NPLs amounted to RMB379,458 million, showing an increase of RMB25,956 million, and NPL ratio was 1.34%, with a decrease of 0.02 percentage points.

## DISTRIBUTION OF LOANS AND NPLS

*In RMB millions, except for percentages*

Item	At 31 December 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Corporate loans	17,482,223	61.6	276,631	1.58	16,145,204	61.9	292,745	1.81
Short-term corporate loans	3,819,683	13.5	90,949	2.38	3,681,064	14.1	91,426	2.48
Medium to long-term corporate loans	13,662,540	48.1	185,682	1.36	12,464,140	47.8	201,319	1.62
Discounted bills	1,932,286	6.8	-	-	1,287,657	4.9	-	-
Personal loans	8,957,720	31.6	102,827	1.15	8,653,621	33.2	60,757	0.70
Residential mortgages	6,083,180	21.5	44,317	0.73	6,288,468	24.1	27,827	0.44
Personal consumption loans	421,195	1.5	10,057	2.39	328,286	1.3	4,390	1.34
Personal business loans	1,677,981	5.9	21,280	1.27	1,347,136	5.2	11,639	0.86
Credit card overdrafts	775,364	2.7	27,173	3.50	689,731	2.6	16,901	2.45
<b>Total</b>	<b>28,372,229</b>	<b>100.0</b>	<b>379,458</b>	<b>1.34</b>	<b>26,086,482</b>	<b>100.0</b>	<b>353,502</b>	<b>1.36</b>

At the end of 2024, corporate NPLs were RMB276,631 million, showing a decrease of RMB16,114 million when compared with the end of the previous year, and representing a NPL ratio of 1.58%, with a decrease of 0.23 percentage points. Personal NPLs amounted to RMB102,827 million, showing an increase of RMB42,070 million, and representing a NPL ratio of 1.15%, with an increase of 0.45 percentage points.

## DISTRIBUTION OF CORPORATE LOANS AND NON-PERFORMING CORPORATE LOANS OF DOMESTIC BRANCHES BY INDUSTRY OF LOAN CUSTOMERS

*In RMB millions, except for percentages*

Item	At 31 December 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Transportation, storage and postal services	3,859,790	23.8	14,286	0.37	3,583,967	24.1	17,530	0.49
Manufacturing	2,454,489	15.1	45,932	1.87	2,351,044	15.8	55,359	2.35
Leasing and commercial services	2,417,060	14.9	36,844	1.52	2,295,720	15.5	43,958	1.91
Water, environment and public utility management	1,839,421	11.4	16,725	0.91	1,722,981	11.6	20,493	1.19
Production and supply of electricity, heating, gas and water	1,756,221	10.8	7,479	0.43	1,594,025	10.7	12,537	0.79
Real estate	880,986	5.4	43,964	4.99	762,226	5.1	40,957	5.37
Wholesale and retail	768,713	4.7	37,403	4.87	679,049	4.6	29,886	4.40
Construction	483,623	3.0	14,417	2.98	432,570	2.9	14,078	3.25
Science, education, culture and sanitation	400,666	2.5	8,453	2.11	383,799	2.6	8,882	2.31
Mining	328,337	2.0	1,723	0.52	295,219	2.0	2,619	0.89
Others	1,015,627	6.4	16,615	1.64	761,866	5.1	16,474	2.16
<b>Total</b>	<b>16,204,933</b>	<b>100.0</b>	<b>243,841</b>	<b>1.50</b>	<b>14,862,466</b>	<b>100.0</b>	<b>262,773</b>	<b>1.77</b>

The Bank continued to propel the optimization and adjustment of the credit industry structure and increased support for the development of real economy. Specifically, loans to transportation, storage and postal services increased by RMB275,823 million or 7.7% over the end of the previous year. They were mainly used to support the construction of key projects in highways, railways, ports and other fields and meet the demands of high-quality investors for working capital. Loans to production and supply of electricity, heating, gas and water increased by RMB162,196 million, representing a growth rate of 10.2%, mainly to headquarters of key electric power groups, listed companies, the electricity sector and other core enterprises as well as clean energy, UHV supporting coal-fired power, coal-fired power for self-use in power-deficient areas, and other projects. Loans to leasing and commercial services increased by RMB121,340 million, up 5.3%, which was mainly attributable to customers' increased financing demands in investment and asset management, enterprise headquarters, and management services of park and commercial complex. Loans to the real estate industry increased by RMB118,760 million or 15.6%, which was mainly attributable to the growth of various types of rental housing loans, loans to whitelisted projects under the urban real estate financing coordination mechanism, and operating property loans. Loans to water, environment and public utility management grew by RMB116,440 million or 6.8%, mainly for major projects in the areas of new urbanization and water conservancy facilities as well as the areas of people's livelihood such as urban public utilities and environmental remediation. Loans to manufacturing increased by RMB103,445 million, up 4.4%, mainly granted to leading backbone enterprises and key projects in high end manufacturing such as new-generation information technology, new energy vehicles, and large-scale refining and chemical projects.



The Bank continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable.

## DISTRIBUTION OF LOANS AND NPLS BY GEOGRAPHIC AREA

*In RMB millions, except for percentages*

Item	At 31 December 2024				At 31 December 2023			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Head Office	874,284	3.1	38,358	4.39	754,746	2.9	29,793	3.95
Yangtze River Delta	6,182,636	21.8	47,345	0.77	5,616,187	21.5	36,930	0.66
Pearl River Delta	4,348,121	15.3	66,187	1.52	4,055,692	15.5	57,869	1.43
Bohai Rim	4,677,575	16.5	56,810	1.21	4,285,481	16.4	63,835	1.49
Central China	4,416,409	15.6	49,717	1.13	4,064,415	15.6	43,192	1.06
Western China	5,233,652	18.4	68,406	1.31	4,766,575	18.3	68,298	1.43
Northeastern China	1,158,000	4.1	17,480	1.51	1,082,666	4.2	22,301	2.06
Overseas and others	1,481,552	5.2	35,155	2.37	1,460,720	5.6	31,284	2.14
<b>Total</b>	<b>28,372,229</b>	<b>100.0</b>	<b>379,458</b>	<b>1.34</b>	<b>26,086,482</b>	<b>100.0</b>	<b>353,502</b>	<b>1.36</b>

## MOVEMENTS OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

*In RMB millions*

Item	Movements of allowance for impairment losses on loans and advances to customers measured at amortised cost				Movements of allowance for impairment losses on loans and advances to customers measured at FVTOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001	361	–	29	390
Transfer:								
to stage 1	20,221	(16,982)	(3,239)	–	–	–	–	–
to stage 2	(11,518)	15,804	(4,286)	–	(4)	4	–	–
to stage 3	(5,101)	(24,282)	29,383	–	–	–	–	–
Charge/(reverse)	6,808	21,323	94,312	122,443	(1)	46	(9)	36
Write-offs and transfer out	–	–	(85,127)	(85,127)	–	–	–	–
Recoveries of loans and advances previously written off	–	–	13,856	13,856	–	–	–	–
Other movements	943	4,399	2,557	7,899	(3)	1	1	(1)
<b>Balance at 31 December 2024</b>	<b>354,083</b>	<b>156,502</b>	<b>304,487</b>	<b>815,072</b>	<b>353</b>	<b>51</b>	<b>21</b>	<b>425</b>

As at the end of 2024, the allowance for impairment losses on loans stood at RMB815,497 million, of which RMB815,072 million at amortised cost, and RMB425 million at fair value through other comprehensive income. Allowance to NPLs was 214.91%, showing an increase of 0.94 percentage points over the end of last year; allowance to total loans ratio was 2.87%, showing a decrease of 0.03 percentage points.



## DISTRIBUTION OF LOANS BY COLLATERAL

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	10,787,880	38.0	10,444,304	40.1
Pledged loans	3,797,121	13.4	2,979,342	11.4
Guaranteed loans	2,708,808	9.5	2,715,345	10.4
Unsecured loans	11,078,420	39.1	9,947,491	38.1
<b>Total</b>	<b>28,372,229</b>	<b>100.0</b>	<b>26,086,482</b>	<b>100.0</b>

## OVERDUE LOANS

*In RMB millions, except for percentages*

Overdue periods	At 31 December 2024		At 31 December 2023	
	Amount	% of total loans	Amount	% of total loans
Less than 3 months	122,360	0.43	107,236	0.42
3 months to 1 year	120,579	0.42	101,889	0.39
1 to 3 years	124,646	0.44	87,118	0.33
Over 3 years	39,154	0.14	34,181	0.13
<b>Total</b>	<b>406,739</b>	<b>1.43</b>	<b>330,424</b>	<b>1.27</b>

*Note:* Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by installments, the total amount of loans is deemed overdue if part of the installments is overdue.

Overdue loans stood at RMB406,739 million, representing an increase of RMB76,315 million from the end of the previous year, among which, loans overdue for over 3 months amounted to RMB284,379 million, representing an increase of RMB61,191 million.

## RESCHEDULED LOANS

Rescheduled loans and advances measured in accordance with the Rules on Risk Classification of Financial Assets of Commercial Banks amounted to RMB139,086 million, representing an increase of RMB56,363 million from the end of the previous year. Specifically, rescheduled loans and advances overdue for over 3 months amounted to RMB23,378 million, representing an increase of RMB14,803 million.

## LOAN MIGRATION RATIO

*In percentages*

Item	At 31	At 31	At 31
	December	December	December
	2024	2023	2022
Pass	1.09	1.05	1.12
Special mention	17.44	18.61	21.03
Substandard	59.86	61.74	36.62
Doubtful	53.45	77.49	42.55

*Note:* Calculated according to the Circular on Amending the Definitions and Calculation Formula of Basic Indicators for Off-site Supervision of the Banking Sector issued by the former CBIRC in 2022, and measured at the Group's level.

## BORROWER CONCENTRATION

As at the end of 2024, the total amount of loans granted by the Bank to the single largest borrower and top ten single borrowers accounted for 4.4% and 21.6% of the Bank's net capital base, respectively. The total amount of loans granted to the top ten single borrowers was RMB1,076,123 million, accounting for 3.8% of the total loans.

Item	At 31	At 31	At 31
	December	December	December
	2024	2023	2022
Loan concentration to the single largest borrower (%)	4.4	4.5	3.8
Loan concentration to the top ten borrowers (%)	21.6	23.5	16.0

### • Investment

In 2024, the Bank actively supported the implementation of the national development strategies, intensified bond investment, coordinated bond investment values and interest rate risk prevention, and reasonably arranged the bond variety and term structure. As at the end of 2024, investment amounted to RMB14,153,576 million, representing an increase of RMB2,303,908 million or 19.4% from the end of the previous year. Among these, bonds rose by RMB2,287,195 million or 20.1% to RMB13,644,922 million.

*In RMB millions, except for percentages*

<b>Item</b>	<b>At 31 December 2024</b>		<b>At 31 December 2023</b>	
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage (%)</b>
Bonds	<b>13,644,922</b>	<b>96.4</b>	11,357,727	95.9
Equity instruments	<b>196,993</b>	<b>1.4</b>	187,835	1.6
Funds and others	<b>178,941</b>	<b>1.3</b>	183,391	1.5
Accrued interest	<b>132,720</b>	<b>0.9</b>	120,715	1.0
<b>Total</b>	<b><u>14,153,576</u></b>	<b><u>100.0</u></b>	<b><u>11,849,668</u></b>	<b><u>100.0</u></b>

#### **DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS**

*In RMB millions, except for percentages*

<b>Item</b>	<b>At 31 December 2024</b>		<b>At 31 December 2023</b>	
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage (%)</b>
Government and central bank bonds	<b>10,422,907</b>	<b>76.4</b>	8,759,237	77.1
Policy bank bonds	<b>1,097,125</b>	<b>8.0</b>	811,946	7.1
Bonds of banks and other financial institutions	<b>1,398,606</b>	<b>10.3</b>	1,065,147	9.4
Enterprise bonds	<b>726,284</b>	<b>5.3</b>	721,397	6.4
<b>Total</b>	<b><u>13,644,922</u></b>	<b><u>100.0</u></b>	<b><u>11,357,727</u></b>	<b><u>100.0</u></b>

In terms of distribution by issuers, government and central bank bonds increased by RMB1,663,670 million or 19.0% over the end of last year; policy bank bonds increased by RMB285,179 million or 35.1%; bonds of banks and other financial institutions went up by RMB333,459 million or 31.3%; and enterprise bonds increased by RMB4,887 million or 0.7%.

## DISTRIBUTION OF INVESTMENT IN BONDS BY REMAINING MATURITY

*In RMB millions, except for percentages*

Remaining maturity	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated <sup>(1)</sup>	83	0.0	117	0.0
Less than 3 months	750,923	5.5	690,280	6.0
3 to 12 months	2,337,828	17.1	1,495,238	13.2
1 to 5 years	4,992,268	36.6	4,219,958	37.2
Over 5 years	5,563,820	40.8	4,952,134	43.6
<b>Total</b>	<b>13,644,922</b>	<b>100.0</b>	<b>11,357,727</b>	<b>100.0</b>

Note: (1) Refers to overdue bonds.

## DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB-denominated bonds	12,703,351	93.1	10,497,153	92.4
USD-denominated bonds	619,013	4.5	554,737	4.9
Other foreign currency bonds	322,558	2.4	305,837	2.7
<b>Total</b>	<b>13,644,922</b>	<b>100.0</b>	<b>11,357,727</b>	<b>100.0</b>

In terms of currency structure, RMB-denominated bonds rose by RMB2,206,198 million or 21.0% over the end of last year; USD-denominated bonds increased by an equivalent of RMB64,276 million or 11.6%; other foreign currency bonds increased by an equivalent of RMB16,721 million or 5.5%. During the reporting period, the Bank reasonably arranged the currency structure of bonds based on changes in interest rates of all currencies and foreign-currency fund positions, in consideration of bond liquidity, security and profitability.

## DISTRIBUTION OF INVESTMENT BY MEASURING METHOD

*In RMB millions, except for percentages*

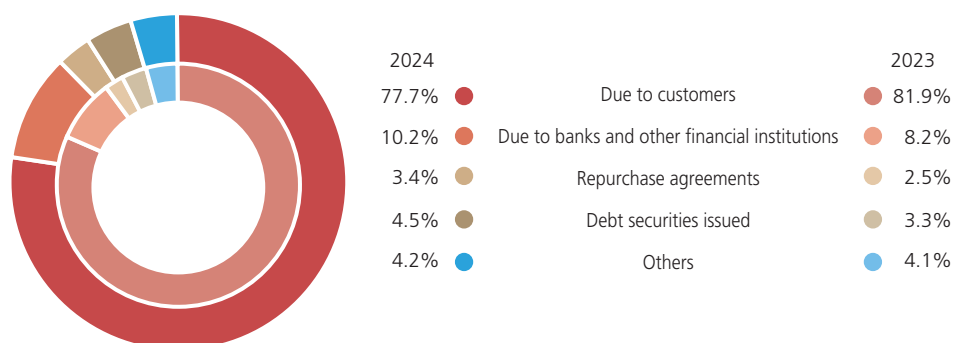
Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial investments measured at fair value through profit or loss	1,010,439	7.1	811,957	6.9
Financial investments measured at fair value through other comprehensive income	3,291,152	23.3	2,230,862	18.8
Financial investments measured at amortised cost	9,851,985	69.6	8,806,849	74.3
<b>Total</b>	<b>14,153,576</b>	<b>100.0</b>	<b>11,849,668</b>	<b>100.0</b>

As at the end of 2024, the Group held RMB2,405,422 million of financial bonds<sup>1</sup>, including RMB1,097,125 million of policy bank bonds and RMB1,308,297 million of bonds issued by banks and non-bank financial institutions, accounting for 45.6% and 54.4% of financial bonds, respectively.

### Liabilities

The Bank attached importance to the enhancement of the diversified development capacity in liabilities, established a liability quality management system commensurate with the size and complexity of liabilities, and defined the management strategy and policy for liability quality that are consistent with the business strategy, risk appetite and overall business characteristics. As a result, the liability business maintained steady development. As at the end of 2024, total liabilities reached RMB44,834,480 million, representing an increase of RMB3,913,989 million or 9.6% compared with the end of last year.

#### Structure of liabilities



<sup>1</sup> Financial bonds refer to the debt securities issued by financial institutions on the bond market, including bonds issued by policy banks, banks and non-bank financial institutions but excluding debt securities related to restructuring and central bank bonds.

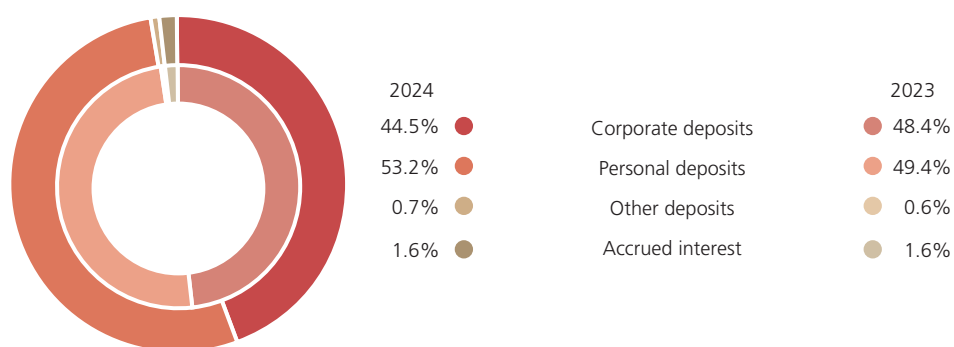
*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Due to customers	<b>34,836,973</b>	<b>77.7</b>	33,521,174	81.9
Due to banks and other financial institutions	<b>4,590,965</b>	<b>10.2</b>	3,369,858	8.2
Repurchase agreements	<b>1,523,555</b>	<b>3.4</b>	1,018,106	2.5
Debt securities issued	<b>2,028,722</b>	<b>4.5</b>	1,369,777	3.3
Others	<b>1,854,265</b>	<b>4.2</b>	1,641,576	4.1
<b>Total liabilities</b>	<b><u>44,834,480</u></b>	<b><u>100.0</u></b>	<b><u>40,920,491</u></b>	<b><u>100.0</u></b>

### • Due to Customers

Due to customers is the Bank's main source of funds. As at the end of 2024, due to customers was RMB34,836,973 million, RMB1,315,799 million or 3.9% higher than that at the end of the previous year. In terms of customer structure, corporate deposits decreased by RMB702,523 million or 4.3%; and personal deposits increased by RMB1,975,942 million or 11.9%. In terms of maturity structure, time deposits increased by RMB1,101,811 million or 5.7%, while demand deposits increased by RMB171,608 million or 1.3%. In terms of currency structure, RMB deposits stood at RMB33,146,429 million, representing an increase of RMB1,308,594 million or 4.1%. Foreign currency deposits were equivalent to RMB1,690,544 million, indicating an increase of RMB7,205 million or 0.4%.

### Distribution of due to customers by business line



## DISTRIBUTION OF DUE TO CUSTOMERS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Corporate deposits</b>				
Time deposits	8,349,110	24.0	8,843,237	26.4
Demand deposits	7,158,295	20.5	7,366,691	22.0
<b>Subtotal</b>	<b>15,507,405</b>	<b>44.5</b>	<b>16,209,928</b>	<b>48.4</b>
<b>Personal deposits</b>				
Time deposits	12,077,665	34.7	10,481,727	31.3
Demand deposits	6,463,845	18.5	6,083,841	18.1
<b>Subtotal</b>	<b>18,541,510</b>	<b>53.2</b>	<b>16,565,568</b>	<b>49.4</b>
<b>Other deposits<sup>(1)</sup></b>	<b>228,721</b>	<b>0.7</b>	<b>210,185</b>	<b>0.6</b>
<b>Accrued interest</b>	<b>559,337</b>	<b>1.6</b>	<b>535,493</b>	<b>1.6</b>
<b>Total</b>	<b>34,836,973</b>	<b>100.0</b>	<b>33,521,174</b>	<b>100.0</b>

Note: (1) Includes outward remittance and remittance payables.

## DISTRIBUTION OF DUE TO CUSTOMERS BY GEOGRAPHIC AREA

*In RMB millions, except for percentages*

Item	At 31 December 2024		At 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	31,864	0.1	32,408	0.1
Yangtze River Delta	6,661,782	19.1	7,120,750	21.2
Pearl River Delta	4,472,710	12.8	4,618,362	13.8
Bohai Rim	9,496,212	27.3	8,811,355	26.3
Central China	5,159,595	14.8	4,855,178	14.5
Western China	5,430,660	15.6	5,219,348	15.6
Northeastern China	1,953,728	5.6	1,768,620	5.3
Overseas and others	1,630,422	4.7	1,095,153	3.2
<b>Total</b>	<b>34,836,973</b>	<b>100.0</b>	<b>33,521,174</b>	<b>100.0</b>



- **Due to Banks and Other Financial Institutions**

Due to banks and other financial institutions amounted to RMB4,590,965 million, RMB1,221,107 million or 36.2% higher than that at the end of the previous year, principally because the Bank reinforced interbank deposits marketing based on changes in the market situations.

- **Repurchase Agreements**

Repurchase agreements amounted to RMB1,523,555 million, RMB505,449 million or 49.6% higher than that at the end of the previous year, principally because the Bank increased the scale of borrowed funds based on needs of the liquidity management and monetary policy operation.

- **Debt Securities Issued**

Debt securities issued amounted to RMB2,028,722 million, RMB658,945 million or 48.1% higher than that at the end of the previous year, principally due to the increased size of NCDs issued by the Bank.

### **Shareholders' Equity**

As at the end of 2024, shareholders' equity totaled RMB3,987,266 million, RMB210,678 million or 5.6% higher than that at the end of the previous year. Equity attributable to equity holders of the parent company recorded an increase of RMB212,954 million or 5.7% to RMB3,969,841 million.

## 4.2 Business Overview

### Special Column:

#### Progress in Serving the “Five Priorities”

In 2024, the Bank earnestly implemented the relevant national decisions and deployments, taking a leading role in advancing the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance to promote better service outcomes. **In terms of technology finance**, at the end of 2024, the Bank’s balance of loans to strategic emerging industries exceeded RMB3.1 trillion, and the balance of loans invested in the manufacturing industry stood at RMB4.4 trillion, maintaining the top position in the banking industry. The balance of primary market equity investment in technology-based enterprises exceeded RMB70.0 billion. **In terms of green finance**, the balance and incremental amount of green loans ranked first in the banking industry, and the main underwritten scale of domestic ESG bonds ranked first in the banking industry. **In terms of inclusive finance**, the balance of inclusive loans amounted to RMB2.9 trillion, the growth rate of inclusive loans customers exceeded 40%, and the NPL ratio of inclusive loans was at a relatively sound level in the industry. **In terms of pension finance**, various types of pensions under management were nearly RMB5 trillion, and the number of senior customers aged 55 and above exceeded 200 million. The number of personal pension accounts and their contributions remained the leading position among peers. **In terms of digital finance**, loans to core industries of the digital economy amounted to nearly RMB900.0 billion, and the monthly active users (“MAU”) of personal mobile banking mobile terminals exceeded 260 million. The innovative promotion of e-CNY has achieved remarkable result, with the main indicators maintaining the leading position in the banking industry.

The outstanding service outcomes were attributed to the Bank’s commitment to deepening reform and innovation drive, and its sound practices of integrating the top-level design with implementation mechanism. **The Bank built an integrated decision-making and advancement mechanism.** The Senior Management set up the “Five Priorities” Committee and special committees in various fields to adjust the organizational structure based on their own conditions, so as to form a management mechanism featuring seamless communication, hierarchical coordination, unified management and overall advancement. **The Bank improved the policy implementation and support system.** It conducted in-depth research on industrial policies, development dynamics, business models, and risk features of various key areas, leveraging regulatory policies as a blueprint, establishing and improving the “1+5+X” policy implementation and support system. The Bank issued one set of general guiding opinions, and formulated five special action plans, forming a supporting system covering investment and financing support, performance assessment, human resources, and outlet services. **The Bank established and improved the core indicator system.** Relying on the data management platform, it realized the dynamic summary and real-time monitoring of the operation of the main indicators of the “Five Priorities”, synchronously optimizing the assessment and guidance mechanism, maximizing the driving forces of resource inputs in key areas, so as to form a superimposed effect of serving the “Five Priorities” and serving new quality productive forces and coordinated regional development strategies.

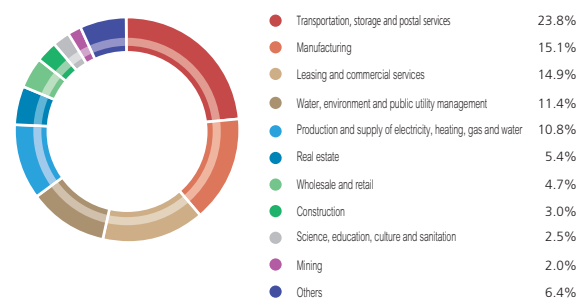
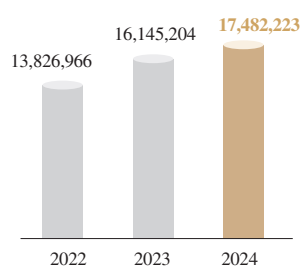
In 2025, the Bank will continue to play the role of a leading bank, focusing on its major responsibilities and core businesses in industrial and commercial domains. It will take proactive actions in responding to and implementing various macro-policies and improving the supporting systems. The Bank will further deepen and refine the “Five Priorities”, aiming at establishing a diversified and sustainable service system with wide coverage and ICBC characteristics, so as to advance its own growth and high-quality development in the process of contributing to the high-quality development of the economy and society.

#### 4.2.1 Corporate Banking

Focusing on “addressing the country’s needs, giving full play to finance, tapping into ICBC strengths and meeting customers’ expectations”, the Bank increased the supply of quality corporate credit, optimized the modern corporate credit layout, carried out large marketing events relating to food security, films, cultural tourism, etc., strengthened corporate financial services for major strategies, key fields and weak links, innovatively developed the corporate banking project library (CBPL), continued to boost the adaptability, competitiveness and inclusiveness of corporate banking services and demonstrated its dedication to serving the real economy as the main force. At the end of 2024, corporate loans reached RMB17,482,223 million, representing an increase of RMB1,337,019 million or 8.3% over the end of last year. Corporate deposits stood at RMB15,507,405 million, representing a decrease of RMB702,523 million or 4.3%. The Bank was named “Best Corporate Bank in China” by the *Global Finance* again, the “Best Corporate Bank in China” by *Euromoney*, the “Project Finance House of the Year” by *The Asset* for the fourth consecutive year and the “Best Domestic Bank for Belt and Road” by the *Global Finance*.

- ✧ The Bank served the cultivation of new quality productive forces. The “Five Special” service system for technology finance was deepened. The Bank set up the Technology Finance Committee under the Senior Management. In geographical areas rich in sci-technological resources, 22 Technology Finance Centers of branches and 160 sub-branches focused on technology finance were established, building up momentum of the four-tiered service network of outlets, sub-branches, branches and the Head Office. The Bank strengthened the “stock, loan, bond and insurance” interconnection, carried out the “Chunmiao Action” and “Qiushi Action”, worked hard to serve key customer groups, including the Specialization, Refinement, Differentiation and Innovation (“SRDI”) enterprises and “Little Giants”, and developed the “ICBC Sci-Tech Innovation” brand. At the end of 2024, the balance of loans to strategic emerging industries exceeded RMB3 trillion.
- ✧ The Bank helped build a modern industrial system. Stronger lending was made to manufacturing, promoting the high-end, intelligent and green development of manufacturing. With a focus on “Renewal and Trade-in”, the Bank carried out the “ICBC Loan for Upgrade and Renewal” campaign to ensure full coverage of the project list. Special financial support was deepened for the development of advanced manufacturing industrial clusters. At the end of 2024, the balance of loans invested in the manufacturing industry stood at RMB4.4 trillion, of which RMB2.1 trillion were medium to long-term loans.

- ✧ The Bank helped the real estate industry in stabilization and recovery. Adapting itself to significant changes in the supply-demand relationship in the real estate industry, the Bank met the reasonable financing needs of property developers of different ownership types under the principle of equal treatment and maintained steady growth in property development loans. The Bank implemented a raft of incremental policies, actively aligned its activity with whitelisted projects under the urban real estate financing coordination mechanism, with the total financing in excess of RMB130.0 billion. The Bank reached out to serve the “Three Major Projects”, helped build the “market-based + affordable” housing supply system and supported the creation of a new model for real estate development.
- ✧ In terms of green finance and energy security, the Bank adhered to the philosophy of green development, earnestly followed China’s strategic guidance, supported the green and low-carbon transition of industries, contributed to the high-quality development of the Yangtze River Economic Belt, carried out the “Secure Energy Supplies” initiative in a deep-going way and played its part in building China into a global energy powerhouse. At the end of 2024, the balance of green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion.
- ✧ The Bank fueled high-quality development of the private sector. Guided by the nation’s commitment to both unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting and guiding the development of the non-public sector, the Bank deepened the “Eight New Synergy” services for private businesses, provided special policy support for high-quality private enterprises, and helped shore up the confidence of private businesses.
- ✧ The customer base was further consolidated. The Bank remained customer-centric, boosted the “systematic, professional, digital and ecological” level of corporate customer service, implemented the corporate customer retention system, and stepped up the effort to build a coordinated customer base composed of “large, medium, small and micro enterprises and personal customers”. The Bank held the China-Africa Trade & Investment Forum, Austria Connect China and other major events, and carried out the “Global Tour, Global Win” cross-border marketing campaign to support enterprises. The Bank explored a global customer manager mechanism, established a global customer manager service team and continued to improve the quality and efficiency of global services. At the end of 2024, corporate customers numbered 13,348.6 thousand, representing an increase of 1,289.9 thousand from the end of the previous year, and the number of medium-sized customers with outstanding loans rose by 11.6%.



## Inclusive Finance

The Bank continuously improved the coverage, accessibility and satisfaction of inclusive financial services, and better met the diverse financial needs of small and micro enterprises, agriculture-related business entities and key customer groups designated under the assistance program, striving to become a model bank for inclusive finance. As at the end of 2024, the balance of inclusive small and micro enterprise loans amounted to RMB2,893,315 million, representing an increase of RMB665,563 million or 29.9% over the beginning of the year. Inclusive small and micro enterprise loan customers numbered 2,083.4 thousand, representing an increase of 616.6 thousand. The average interest rate of inclusive small and micro enterprise loans newly granted in the year was 3.30%.

- ✧ The product system was optimized. The Bank created a standard system of inclusive finance products, built the three product lines of Quick Lending for Operation, Online Revolving Loan and Digital Supply Chain and enhanced the service capacity for such segments as manufacturing, farmers, merchants, SRDI enterprises and “Little Giants”. Product innovation with local characteristics was encouraged, so as to develop service scenarios in line with local conditions, flexibly support regional industry development and make inclusive credit services more adaptable and targeted. The Bank upgraded the Quick Lending for Operation and launched “Manufacturing e Loan”, a digital inclusive unsecured loan facility for micro and small manufacturers, further enriching the supply of small-value and credit products. The “e-Quick Loan”, an Online Revolving Loan facility, was developed to meet the medium- and long-term funding needs of small and micro enterprises seeking reproduction on extended scale. In terms of Digital Supply Chain products, the Bank provided financing solutions for key industries, channeling financial resources precisely into upstream and downstream small and micro enterprises in supply chains.
- ✧ Service channels were deepened. Outlets featuring inclusive finance were built based on self-operated institutions. The inclusive edition of mobile banking was developed to provide one-stop services dedicated to small and micro enterprises. The “Inclusive Finance Promotion Month” and “Inclusion for Everyone” were carried out to strengthen cooperation with government agencies and guarantee organizations. The open banking model was explored to extend service farther out and shape a sound ecosystem.

- ✧ Risk management has been intensified. In order to apply technology to risk control, the Bank consolidated internal and external data, improved the “One Customer + N Products” risk control system, and developed a full-process risk management system featuring “data driven, intelligent warning, dynamic management and continuous operation”. The Bank valued the collection of timely and truthful information, strengthened cross-check of online and offline data and combination of expert judgment and model data and methodologies, thus making risk prevention more effective and targeted.
- ✧ Comprehensive services have been refined. The Bank combined financing, consulting and commercial services, shifted the service model from financing to helping small and micro enterprises solve business problems. A wider range of account, settlement and financial advisory services were offered throughout the full-lifecycle of small and micro enterprises. It promoted iterative upgrading of the “ICBC Business Matchmaker” platform, provided one-stop services such as product recommendation, supply and demand matchmaking, and financing support and built a “model platform” of integrated financial services for small and micro enterprises.

### **Institutional Banking**

- ✧ The Bank actively cooperated with governments of various levels, demonstrating its responsibilities as a major bank. The Bank provided solid agency services for public finance circulation, ranking first by either volume or amount of centralized payments on behalf of the central government treasury. As a qualified agent for centralized treasury payment, the Bank received a “Double Excellence” rating for direct payment and authorized payment in the evaluation of centralized payment agents organized by the central government treasury under the MOF for six consecutive years. The range of social security-banking services was expanded by launching the social security e-wallet, the first of its kind, and completed the industry’s first cross-provincial payment from the social security account for its holder’s family member. The “ICBC e Social Security” platform was extended to social security agencies in all provinces or regions across the country. As the first bank to set up “social security-banking integrated outlets”, the Bank had a total of 4,087 “social security-banking integrated outlets”. Innovative financial services for public wellbeing were introduced. The Bank continued to promote such public service platforms as “ICBC Cloud Healthcare”, “Intelligent Housing”, “Intelligent Education” and “Digital Countryside”, and steadily implemented supportive financial services for easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education, rural revitalization and fund supervision.



- ✧ The financial cooperation ecosystem was enriched. The Bank improved the comprehensive infrastructure services and issued the first Financial Market Infrastructure Service Solution in the banking industry, setting an “ICBC example” of serving financial market infrastructures. The Bank exported its FinTech tools to small and medium-sized financial institutions, empowering peers to enhance their risk control capability. In closer cooperation with insurance organizations, the Bank carried out scenario-based marketing of corporate insurance and improved the “Risk Management Solutions for Ten Industries”, helping corporate customers forestall risks. Solid services were provided for the capital market by, for example, acting on the regulatory policy guidance to build a long-term mechanism for enhancing capital market stability and consolidating and enhancing the strengths in third-party depository and settlement cooperation.

## **Settlement and Cash Management**

- ✧ The Bank strove to build a new model for “Main Settlement Bank”. Focusing on basic accounts, new accounts and payroll accounts, the account service covered a broader range of newly registered market entities. Efforts were made to jointly develop new accounts through integration of scenarios, promote the application of the intelligent digital account runoff warning model and maintain and manage existing accounts on a category-specific basis. In response to the requirements for intelligent digital transition of corporate finance and deeper-going application of management accounting, the Bank further scaled up and upgraded the ICBC treasury service and built the three pillars of payment settlement, treasury management and intelligent digital transition encompassing 12 categories of products services (“Five Expresses, Four Integrated and Three Clouds”), thereby continuously enhancing customer experience and building a new portal for financial services. The ecosystem of settlement finance scenarios was expanded across the board. The Bank stepped up the API open service for key products, pooled financial service resources and exported financial service capabilities, promoted the application of large language models for settlement finance advisory service and launched the functions of electronic business license authentication and digital signature and corporate rewards points management.
- ✧ Capitalizing on its global treasury management products and services, the Bank focused on serving cross-border customers “Going Global” or “Bringing in”, continued to expand settlement-related financial market infrastructures in key regions, including Asia Pacific, Middle East, Latin America, Africa and Europe and provided global treasury management services for 12 thousand multinational corporations accumulatively empowering their global business development. In respect of the fund management and financing needs, focusing on the corporate receivables collection and reconciliation scenarios, the Bank helped address customers’ pain points in collection, reconciliation, clearing and receipt safekeeping by providing a combination of products, including Creditor Mate, Bank Account Management Cloud, Performance Management and ICBC E Enterprise Payment and ICBC e BillPay.



- ✧ Providing digital driving forces of supply chain finance service, the Bank gave full play to the customized and modular “ICBC Pooling” and deepened the “Standard + Integrated” comprehensive settlement service application capability and shaped a digital supply chain scenario-based service system to meet the four core needs (i.e. collection, payment, management and financing) of corporate supply chains in the stages of supply, production, selling and storage.
- ✧ At the end of 2024, the Bank maintained 15,059 thousand corporate settlement accounts and had 2,043 thousand cash management customers, including 12,747 global cash management customers.

## **Investment Banking**

- ✧ The Bank actively supported the country’s key strategies through “M&A plus” full-process services, with a focus on strategic emerging industries, sci-tech innovation and green industry development. The restructuring advisory model was expanded to help the transformation and debt risk mitigation of distressed enterprises. By the number of M&A deals facilitated by the Bank, the Bank ranked first in Refinitiv’s ranking of “China Financial Advisers for Deals” and “China Financial Advisers for Overseas M&A Deals”, and was awarded the “Best Bank for M&A in China” by the *Global Finance* again.
- ✧ The Bank optimized the whole-process service for industrial investment funds, supported high-quality development of venture capital investment, improved the diverse equity investment and financing services, launched the innovative credit financing plan for tech firms through collaboration between commercial banking and investment banking, enriched the business model of “loans + external direct investment” and improved the equity valuation service to optimize the multi-dimensional and multi-level equity business system of “primary market + secondary market” and “financing + consulting”, and to deepen financial services for enterprises throughout the whole lifecycle.
- ✧ The Bank assisted in putting existing assets to better use in line with the customer needs, and provided comprehensive services for expanding effective investment and mitigating debt risks. The Bank continued to expand all-scenario services for ABS and public REITs, helping enterprises deleverage, stabilize investment and shore up weaker areas.
- ✧ The Bank leveraged on the advantages of industry research, risk control, and FinTech resources of the Group to create the “ESG Advisory Service” and shaped an advisory and consulting service system including management consulting, transaction advisory service, financial and risk control advisory service and information service to empower high-quality development of the real economy.

- ✧ The Bank continued to consolidate its advantages in bond underwriting and served as the lead underwriter for 2,675 bond issuance projects domestically in 2024, with a total lead underwriting amount of RMB1.92 trillion. The Bank gave full play to its business strengths to facilitate the implementation of China’s major strategies including green development and rural revitalization. The Bank underwrote 153 ESG bonds domestically with a total underwriting amount of RMB166,926 million, including green bonds and social bonds. In implementing major regional strategies, the Bank actively supported building of the Shanghai International Financial Center and the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area, and led the underwriting of 584 financial and non-financial credit bonds in the five key regions with an aggregate size of RMB651,595 million. In serving high-level opening-up, the Bank underwrote 39 panda bonds for 22 overseas customers, led the underwriting of the largest single issue of panda bond in the market, and underwrote the first financial institution’s panda bond listed on the Singapore Exchange and the first panda bond in South America.

### **Discounted Bills Business**

- ✧ The Bank launched a series of innovative services focused on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance and the new quality productive forces, including “SRDI Discounting”, “Technology Innovation Discounting”, “Health and Elderly Care Bills”, “Rural Revitalization Discounting • One-Click” and “ICBC i Green Discount Pro”.
- ✧ Focusing on empowerment with innovation, the Bank accelerated digital transformation of the discounted bills business. The Bank successfully aligned its business with the PBC bill business infrastructure development by bringing the new-generation bill service system on stream. The intelligent data system for discounted bills business was promoted to provide uninterrupted service for nearly 700 thousand electronic bill customers. The BETA1.0 system was completed to improve the discounted bills business efficiency and transformation capacity, empowering new media operation, online marketing and customer acquisition, e-bill mobile services, and innovative application of new technologies.
- ✧ In 2024, the Bank had discounted bills at an amount of RMB3,700,250 million, contributing an increase of 36.2% over the previous year, and kept the leading position in the market. The Bank was awarded “Excellent Integrated Bank”, “Excellent Discount Institution” and “Excellent Trading Institution” by Shanghai Commercial Paper Exchange for the fourth consecutive year.

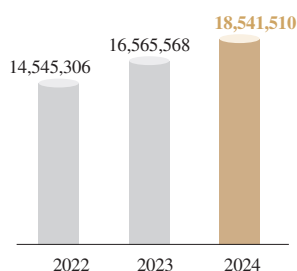
### **4.2.2 Personal Banking**

In 2024, the Bank adapted itself to changes in the market, policy and regulatory environment while adhering to the customer-centric business philosophy, strengthened market orientation and value creation, strove to build a bank satisfactory to the people on all fronts through the “five transformations” and made headway in high-quality development, high-quality service, high-level security and high-efficiency reform.

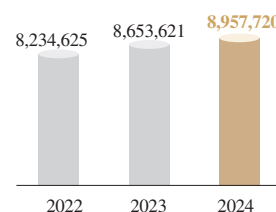
- ✧ The Bank pursued high-quality development focused on core business. In terms of deposits, the Bank strengthened GBC coordination, strengthened efforts to expand the new customer base of payroll clients, merchants and social security customers and improve the stability of deposit growth. The innovation of savings deposit products was accelerated by launching new products such as “Zhi Cun Bao and Ling Cun Bao” to better meet the needs of key customer groups. In terms of loans, the Bank pursued the structural transformation of personal loans to demonstrate the functionality of personal lending in stabilizing the housing market, promoting consumption, and supporting the development of market entities. In implementing the new policy for personal housing loans, the Bank completed the bulk adjustment of interest rates on outstanding residential mortgages, ensured that the new pricing mechanism for personal housing loan rates was launched promptly and smoothly, and vigorously developed the housing resale loan business to better meet the reasonable housing demand of the people. The Bank accelerated the implementation of the consumer goods trade-in programs and continued to increase financial support for trade-ins of automobile, home renovation and furniture, and home appliance. To meet the business and consumer financing needs of businessmen including the owners and legal representatives of private enterprises, the Bank mainly promoted such new services as “Ease Long-term Loan” and “Repay as You Wish” and steadily implemented the loan renewal policies. In terms of wealth management, the Bank built the ICBC Intelligent Wealth Management Financial Platform to promote integration, connectivity and data sharing of internal and external systems. It launched a range of wealth management services, including 7\*24 Quick Redemption, “Zhi Xiang Huan” and “WM Night Market”, upgraded the “Tian Tian Ying” T+0 fund service, providing customers with greater convenience and more options. The online wealth finance service was upgraded to provide customers with a full range of services, including market watch, product selection, asset allocation and knowledge acquisition. “Wealth Academy”, an online investor education platform for public benefit, was launched. The Intelligent Asset Allocation Service was upgraded and the underlying models were reengineered to flexibly meet the needs of individual customers’ existing wealth management and future wealth planning, and improve the service ability to create customer value. In terms of payment settlement, the Bank built an “own + third-party + e-CNY” coordinated service system, built a model for personal account service under the “Moneylink Account” brand and launched new specialty cards to meet personalized needs of customers.
  
- ✧ The Bank strove for high-level security focused on maintaining a solid foundation by risk control. The new-generation AML due diligence system was preliminarily established, marking steady improvements in the ability to perform AML duties. The Bank continued to improve the risk control mechanism for commission-based product distribution, and create an expert review process for product eligibility and a follow-up risk assessment mechanism for the commission-based distribution business. The precision of anti-fraud effort and convenience of clearance were further enhanced. The Bank took the initiative in enforcing protective stop-payment for 19,172 thousand potential victims and blocked suspicious large-value transactions for elderly customers and recovered over RMB6.86 billion in losses.

- ✧ High-quality services were improved to meet customer needs. The Bank continued to attract and accumulate low-cost current funds in order to meet customer needs for investment, payment, and repayment. To meet financial needs of county-area customers, the Bank built the Happiness “1+4” product and service system around the Revitalization Card, and expanded the “ICBC i Xiaoyu” brand service for young customers to foster the potential for business development. The customer acquisition campaign was organized to explore the new customer retention model in line with the key direction and scenarios of customer onboarding. The Bank developed a service system for the broadest customer base divided into various tiers and groups. It drove the transformation from “business-oriented” to “customer-oriented”, competed for new markets and opportunities in payroll service, financial-social security cards and personal pension, and developed products, services and brands dedicated to specific tiers and groups of customers.
- ✧ The Bank deepened high-efficiency reform via intelligent data empowerment. The Bank improved the top-level design of digital customer management, and strove to develop an intelligent data empowerment process for personal customers featuring full-perspective perception, all-dimensional profile, full product supply, all-channel delivery and all-strategy adaptation. The Bank pressed ahead with the wealth consulting innovation project, and built a new wealth service system integrating new wealth management processes, new wealth finance platforms, new investment research and advisory mechanisms, new momentum for team building, new compliance and risk control models, and new support from technological empowerment. Focusing on the standardization of factors and the upgrading of Intelligent Brain 2.0, the Bank improved an integrated working mechanism for customers, products, channels and managers.
- ✧ The Bank was awarded the “Best Consumer Lending Bank in China” and “Best Wealth Management Provider” by *Global Finance* and the “Best Digital Wealth Management Experience in China” and “Best Risk Management Project in China” by *The Asset* and won the “Best Pension Finance Award” from *Retail Banking*. At the end of 2024, the number of personal customers reached 766 million. Assets under management totaled RMB22.84 trillion. Specifically, personal deposits reached RMB18,541,510 million, representing an increase of RMB1,975,942 million or 11.9%. Personal loans stood at RMB8,957,720 million, representing an increase of RMB304,099 million or 3.5%. Funds under agency sales amounted to RMB654.1 billion, government bonds under agency distribution were valued at RMB55.7 billion, and personal insurance products under agency sales were reported at RMB78.7 billion.

### Personal deposits Unit: RMB millions



### Personal loans Unit: RMB millions



## Private Banking

- ✧ As part of the effort to serve the real economy, the Bank made every effort to build an “Entrepreneurs’ Partner Bank” and delivered remarkable results in serving entrepreneurs. The Bank improved the capability of comprehensive financial services for entrepreneurs who are sci-tech innovators by launching the equity incentive loan for sci-tech innovation enterprises. The number of “Entrepreneurs Service Centers” exceeded 2,000, the “Prospering Enterprises Tour” comprehensive entrepreneur service was advanced and the “ICBC e Enterprise+” intelligent entrepreneur service platform was upgraded. A comprehensive service system for scientists was developed, with ongoing innovation made in the service models for scientist customers. The family business service innovation was carried out. In collaboration with ICBC Credit Suisse Asset Management, the Bank launched the industry’s first fund investment advisory scheme as a comprehensive advisor for family trust, and rolled out the comprehensive advisory service for family service trusts.
- ✧ Contributing to common prosperity, the Bank built an ecosystem of charity and public welfare services. The Bank actively promoted the comprehensive advisory service for charity trusts, held the “Partners in Innovation for A Brighter Future” charity forum, combined charity activity with family culture development and worked with partner organizations to launch regional charity trusts in Shanghai.
- ✧ The Bank was awarded the “Best Private Bank in China” by *PWM* and *The Asset*, the “Best Private Banking Entrepreneurial Service in China” by *The Asian Banker*, the “Best Digital Private Bank in Asia” by *PWM*, the “Golden Bull Award for Private Banking” by *China Securities Journal* and the “Best Charity Service Award” by *Wealth*.
- ✧ At the end of 2024, the Bank maintained 289 thousand private banking customers, representing an increase of 26 thousand or 9.9% over the end of the previous year. Assets under management totaled RMB3.47 trillion, representing an increase of RMB404.3 billion or 13.2%.

## Bank Card Business

- ✧ The Bank contributed to boosting domestic demand and consumer spending. Focusing on cultural tourism, transportation, supermarket, shopping and other high-frequency and everyday life scenarios, the Bank carried out the “I GO” series promotional campaigns in cooperation with top-tier merchants. The Bank enhanced services for benefiting the people, actively supported the consumer goods trade-in programs, created the trade-in installment service modules for JD, Xiaomi and other E-commerce platforms and stimulated rapid growth of installment loans for automobiles and home appliances. The Bank optimized the user benefits and entitlements for bank cards, and developed four signature groups of user benefits under the “ICBC Member Benefits” system, namely, cultural tourism, healthcare, travel and insurance.



- ✧ The ICBC e-Life 7.0 platform was completed. The Bank developed eight ecosystems composed of “takeout, catering, tourism, shopping, supermarket, theme parks, digital movie, and car owner life” and improved the integrated operations system that combined online and offline, domestic and overseas as well as internal and external operations. The ICBC e-Life station reached farther out with an innovative model of “e-Life station + Meituan Community”.
- ✧ The Bank served high-level opening-up. The Bank enhanced payment facilitation and improved the environment for foreign card acceptance with a focus on key foreign-related scenarios. The number of acquiring merchants accepting foreign cards increased to 232 thousand, an increase of 107% over the end of the previous year. The Bank optimized domestic mobile payment products linked with foreign cards, registering acceptance of the first ever foreign card in cross-border e-commerce domestically. The innovative “ICBC PASS” prepaid card was launched at the second China International Supply Chain Expo (CISCE). The Bank actively integrated itself into the global payment system development, promoted the connectivity of payment for Belt and Road projects, and launched the overseas ICBC PAY service in 7 countries/regions including Hong Kong SAR and Singapore.
- ✧ As at the end of 2024, the Bank had issued 1,283 million bank cards, including 1,133 million debit cards and 150 million credit cards. The balance of credit card overdrafts was RMB775,364 million. In 2024, ICBC debit cards registered a consumption transaction volume of RMB19.03 trillion, and credit cards registered a consumption transaction volume of RMB2.13 trillion.

### 4.2.3 Asset Management Services

The Bank embraced new opportunities and missions of the asset management industry against the backdrop of pursuing high-quality financial development, and provided more adaptive, competitive, and inclusive financial supplies to support high-quality economic development and the growing demand for wealth management. On the product side, the Bank remained customer-centric, improved the professionalism of financial services such as wealth management, mutual fund, insurance, pension fund, etc. and developed the “ICBC Asset Management” brand to satisfy customers’ demands for wealth preservation and appreciation. On the investment side, it fully leveraged the license advantages of integrated subsidiaries by increasing investment support in areas like advanced manufacturing, SRDI, inclusive small and micro enterprises, sci-tech innovation, and green development, thereby contributing to the construction of a modern economic system.

In terms of wealth management, the Bank provided stronger support for major strategies and key areas such as sci-tech innovation, advanced manufacturing, low-carbon transition, and circular economy, further applied the green classification management and ESG risk whole-process management, and made full use of the “toolkit” of bonds, equities, funds and non-standard products. It took the initiative to meet the funding needs of green industries and carried out green finance investment. Highlighting the “low threshold, low fee rate, low risk and stable return” of wealth management products, the Bank provided high-quality financial services for a broad range of investors, especially small and micro enterprises, county residents, farmers, new urban residents and low-income earners. It also kept exploring a sound wealth management service system for pension. In terms of mutual funds, the Bank launched various types of products, including actively managed equity funds, passive index funds, bond funds, and public REITs, to actively cater to the diverse investment needs of customers and delivered steady and leading performance in pension portfolio investment. In terms of insurance, the Bank vigorously explored the issuance of insurance asset management products, strengthened its diversified investment and project development capabilities and enhanced the quality and efficiency of its response to customer demands, resulting in sustained growth in the scale of third-party insurance asset management business, the number of products, and the number of customers.

### **Wealth Management Services**

- ✧ At the end of 2024, the balance of wealth management products reached RMB2,121,075 million, of which RMB1,961,351 million was the balance of wealth management products of ICBC Wealth Management. Please refer to the section headed “Business Overview – Comprehensive Operation and Subsidiary Management” for details on the business development of ICBC Wealth Management.

### **Asset Custody Services**

- ✧ The Bank harnessed the financial market infrastructure (FMI) role of custody business and actively participated in capital market innovation, facilitating the entry of medium and long-term funds into the market. As at the end of 2024, the insurance assets under custody totaled RMB8.1 trillion, the mutual funds under custody amounted to RMB4.5 trillion, and the pension funds under custody of the Bank stood at RMB3.3 trillion, all ranking first in the industry. With a focus on strategic emerging industries layout, the Bank has successfully taken custody of the first batch of ETFs including STAR 200 and STAR Composite Index and various industrial private equity funds.
- ✧ The Bank launched the global web portal website for ICBC custody, in a bid to build a one-stop comprehensive custody service platform. The Bank ranked first industry-wide by either total or incremental size of QDIIs under custody. It organized the second ICBC Custody Innovation Cooperation Forum to fuel development of new quality productive forces with high-quality financial resources and serve the FinTech innovation finance hub in the Guangdong-Hong Kong-Macao Greater Bay Area. The Bank held forums themed by “ICBC Custody Cross-border Financial Cooperation” and “Cross-border RMB and China-EU Economic and Trade Cooperation”, introducing the China capital market entry channels and global custody services to domestic and foreign investment institutions. At the end of 2024, the Group recorded RMB2.1 trillion in global custody.



- ✧ In recognition of the growing brand value of ICBC Custody, the Bank was awarded the “Best Mega Custodian Bank in China” by *The Asian Banker*, the “Best Custodian, Bank” by *The Asset* and the “China Fund Industry Yinghua Award – Outstanding ETF Custodian” by *CHINAFUND*.
- ✧ At the end of 2024, the Group’s assets under custody were RMB28.0 trillion, of which the domestic institutions’ assets under custody (excluding fund escrow business) stood at RMB26.2 trillion.

## **Pension Services**

- ✧ The Bank has actively acted as the main force to ensure the national pension security. It exclusively supported the construction of the national pension insurance pooling system, enhanced the online and offline social security service ecosystem, promoted coordinated development of pension fund trustee services, account management, custody, and investment management and improved the operational management efficiency and customer satisfaction. The Bank promoted the personal pension business across the board, strengthened institutional and system building, improved service channels, enriched investment products and raised public awareness to ensure security of business and soundness of service experience.
- ✧ The elderly service capacity was continuously enhanced. The Bank continued to carry out the “ICBC Aixiangban” series of seniors-themed marketing events to efficiently promote payment facilitation for the elderly. It promoted the Happy Life version of mobile banking, which supports online tutoring via audio and video services, and launched the elderly edition of the WeChat “ICBC Services” applet.
- ✧ The ability to support the elderly industry kept growing. Keeping in alignment with the national plan for silver economy development, the Bank strove to expand its customer base in the elderly industry, provided comprehensive services including investment and financing, account management, payment and settlement, and digital and intelligent scenario construction, and fueled development of the silver economy characterized by large-scale activity, standardization, clustering and branding. The Bank further strengthened support for special re-lending for inclusive pensions, providing easier and cheaper access to financing for small and medium-sized players in the elderly industry.
- ✧ The Bank was named the “Outstanding Trustee” of the Occupational Annuities Scheme for Central Departments by the Pension Insurance Management Centre of the Central Government Departments, and the “2024 Excellent Bank in Pension Financial Services” by *The Economic Observer*.

## 4.2.4 Financial Market Business

### Money Market Activities

- ✧ In terms of RMB, the Bank effectively fulfilled the responsibilities assigned by the PBC for primary dealers in the open market, efficiently assisted with the transmission of monetary policies, and assisted in keeping the money market stable. By strengthening the forward-looking assessment of money market movements, the Bank rationally devised financing maturities, varieties and counterparty structures, and constantly improved the efficiency of treasury operations. The Bank actively conducted the bond repo of the Securities, Funds and Insurance companies Swap Facility (SFISF), supported the implementation of monetary policies, and helped capital markets maintain steady development. The Bank worked harder to forestall risks, refined system functions and institutional systems, maintained follow-up monitoring of the credit status of counterparties, prepared risk response plans in a forward-looking way, and strictly implemented various risk prevention and control measures, in order to ensure fund security.
  
- ✧ In terms of foreign currencies, the Bank strengthened the analysis and judgment of changes in the fund liquidity and interest rates of foreign currency markets, reasonably devised financing maturity and currency variety to improve the utilization efficiency of foreign currency funds. In its ongoing business innovation, the Bank conducted the first reverse repo for UAE dirham, expanding the operation channel for non-USD currencies. The Bank strengthened risk management by persistently advancing the system development for pre-event risk control of inter-bank lending and repo transactions of the China Foreign Exchange Trade System and the counterparty's AI large language model ("LLM") risk identification, thereby enhancing the efficiency of trading decision making. The Bank was honored as the "Outstanding Foreign Currency Lending Panel Bank", "Outstanding Foreign Currency Lending Member" and "Outstanding Foreign Currency Repo Member" by China Foreign Exchange Trade System for seven consecutive years.

### Investment

- ✧ In terms of RMB bonds, the Bank persisted in serving the real economy, and gave play to its role of the main force as a large state-owned bank in financial services. It constantly consolidated and expanded its advantages in government bond investment, providing strong fund support for economic development. The Bank actively supported the development of high-quality enterprises. Its investments covered the fields relating to national strategies and the industries vital to the national economy and people's livelihood, with the asset quality and investment income remaining at a good level.

- ✧ In terms of foreign currency bonds, the Bank continued to strengthen the trend analysis of interest rates and credit spreads, steadily engaged in foreign currency bond investment, dynamically adjusted the structure of investment portfolios and steadily increased the scale and income of bond investment. Giving an impetus to RMB internationalization, the Bank steadily advanced “Southbound Connect” bond investment and added momentum to the offshore RMB market activity. The Bank came in first among Chinese-funded banks in the selection of “Top Investment Houses in Asian G3 Bonds” by *The Asset* for the fourth consecutive year, constantly improving its market image.

### **Treasury Trading Business on Behalf of Customers**

- ✧ In terms of foreign exchange settlement and sales and foreign exchange trading on behalf of customers, the Bank strengthened dissemination of the foreign exchange risk-neutral philosophy by multiple means online and offline, and assisted foreign-related enterprises in the foreign exchange risk management. The Bank continuously improved the foreign exchange settlement and sales product system, and added Macao pataca, Brazilian real and Indonesian rupiah to the forward foreign exchange trading to support customers’ individual hedging needs. The Bank continued to optimize the trading system functions, and improved the customer trading experience by simplifying the online trading process, extending the trading session of customers’ pending orders and promoting the online trading of options on a pilot basis.
- ✧ In terms of the over-the-counter (“OTC”) bond business, the Bank launched the first OTC financial bond issued by the Export and Import Bank of China through auction method and two OTC green financial bonds, as well as the OTC local government bonds in 13 provinces (autonomous regions, municipalities directly under the Central Government, and cities specifically designated in the state plan), to support green finance and regional development. The Bank won the “Excellent Underwriter Award for Over-the-Counter Circulating Bonds”, the “Excellent Underwriter Award for Over-the-Counter Local Government Bonds” granted by China Central Depository & Clearing Co., Ltd. and the “Excellent Participant in OTC Bond Business” by Shanghai Clearing House.
- ✧ In terms of foreign institutional investors trading business in China’s interbank market, the Bank actively served foreign institutional investors from more than 60 countries and regions throughout the world, to meet their needs for investment and trading in China’s interbank market. The Bank won the “Excellent Settlement Agent under Global Connect Business” and the “Excellent Contributors to International Business” granted by China Central Depository & Clearing Co., Ltd.

## **Asset Securitization Business**

- ✧ In 2024, the Bank issued six asset-backed securities, all of which were NPL securitization programs, with a total amount of RMB4,046 million.

## **Precious Metal Business**

- ✧ The supply of physical precious metal products was enriched. The Bank stepped up efforts to build the underlying ecosystem for boosting the gold market circulation, and promoted the construction of gold repurchase outlets to meet the customers' demand for turning physical gold into cash. It innovatively launched various precious metal products, including the “Ruyi Gold Ingot”, “Victory in Hand (Silver)” and “Gold by the Gram”, to meet the diverse customer demands for gold purchase.
- ✧ Its efforts also supported the high-quality development of the precious metals industry chain. The Bank better met the gold needs of industry chain enterprises by enriching the range of mid-term gold leasing products and improving the mix of maturities. The Bank increased adaptive financial support for the development of a modern industrial system and met the silver demand of oil refining enterprises and photovoltaic silver powder users in the green and low-carbon industry, with the balance of silver leasing, expressed in RMB value, growing by more than 70% over the end of the previous year.
- ✧ The Bank furthered its business cooperation with the SGE and actively performed the market maker duties to keep the domestic gold market stable, helping the SGE International Board to function as the Asian hub for offshore physical gold. In 2024, the Bank ranked the first place in both the clearing amount and gold leasing scale at the SGE. It was awarded the “Excellent Financial Member – First Prize” and “Excellent Depository Bank of the Year” by the SGE for five consecutive years.

### **4.2.5 FinTech**

Adhering to the philosophy of technology self-reliance, the Bank quickened the pace of building a tech-empowered bank and D-ICBC, optimized the ECOS technology ecosystem, improved the D-ICBC ecosystem, continued to sharpen the leading edge and coordinated high-level security with high-quality development.

In 2024, the Bank continued to lead the banking industry in the NFRA's annual IT supervision ratings, ranking first by both patent publications and cumulative patent grants. The Bank's six technical achievements won the PBC's “FinTech Development Awards”, including the First Prize for achievements in the LLM development and applications.

## Strengthening the IT and Cyber Security Posture of the Group

The Bank actively responded to the complicated and changing international situation, emerging challenges in financial cyber security and dramatic technological transformation, adhered to the production safety measures, and made production, operation and maintenance more intelligent. It deepened the cyber security defense system building, and continuously strengthened the data security management capability to inject strong momentum into digital transformation.

- ✧ The production operation safety management capability was strengthened. The Bank fortified the foundation for production operation safety, fully accommodated the explosive growth in bank-securities transfer and other key services triggered by capital market recovery, and effectively ensured system continuity during important periods (e.g. annual final accounting) and at challenging times such as floods and typhoons. The availability of the Bank's information system remained above 99.99%.
- ✧ The Group's cyber security defense capacity was enhanced. The Bank insisted on holistic cyber security management, strengthened security policy management as well as risk monitoring and resolution, worked to optimize and upgrade the intranet defense in depth, carried out cyber security screening and reinforcement campaigns, ensuring overall stability of the cyber security posture. The Bank continued to enhance the security level of key information infrastructures and received the top rating in the annual tiered cyber security protection assessment.
- ✧ The business continuity assurance capacity was consolidated. The Bank streamlined the production management process, improved the ability to monitor change risks and established a risk assessment model for high-risk changes targeting the dimension of business segments. It built a high-availability disaster recovery ("DR") system of "three centers in two cities" based on an open platform, and successfully conducted the overall remote DR takeover drill for the core business system, to verify the remote DR takeover capability for the core business system. Applications and data of tier-two branches were centralized to enhance the security of operations and maintenance in primary level institutions.
- ✧ The data security management capacity was strengthened. The Bank optimized the data security management system, applied automation tools to implement data security classification and tiering standards, improved the security view of the Group's data assets, launched the data security technology management system and data security operation and maintenance monitoring platform, and managed to develop data security and business functions in parallel. Data security assessment and governance were enhanced, and the traceability monitoring capacity was upgraded on the basis of real-time monitoring. The ability to manage personal customer information security was enhanced and the risk exposures were screened and reduced, so as to ease the risk of sensitive data leakage at the source. The Bank also intensified promotion and training in this regard to enhance the bank-wide awareness of protecting data security.

## Unleashing the Driving Force of Sci-Tech Innovation

The Bank fostered and grew new driving forces for digital development, upgraded the digital technology ecosystem, accelerated the application of technological research results in the business fields, actively explored the research and application of forward-looking technologies, and drove high-quality development of the Bank with sci-tech innovation. Ten corporate standards of the Bank were included in the “pacemaker” list of corporate standards developed by financial institutions, which was published by the PBC in conjunction with the State Administration for Market Regulation (SAMR).

- ✧ A secure and stable technology architecture was built. The Bank strengthened top-level design of architecture transformation, built the ECOS2.0 digital technology ecosystem and pursued upgrading of the bank-wide technology architecture. The underlying technology architecture was upgraded, with the domestic core business system running on an open platform alone. The unit-based architecture of personal business was iteratively optimized, facilitating further enhancement of the fault location troubleshooting capabilities and ensuring stability and continuity at service peaks during the year.
- ✧ The innovative application of new technologies has been intensified. The Bank took the initiative in expanding application scenarios for emerging technologies, with the workload handled by AI and other emerging technologies equivalent to over 40 thousand persons in the year. New breakthroughs were made in the large-scale application of LLMs. ICBC Zhiyong, an enterprise-level financial LLM system with over 100 billion parameters, was built to empower more than 20 main business fields and over 200 scenarios, and called for over 1 billion times accumulatively. The Bank explored to build a secure and trusted inter-bank data sharing platform, and launched a financial-sector privacy computing platform jointly with the National FinTech Risk Monitoring Center to improve the efficiency of data element resource allocation. The AI coding assistants were innovatively launched to empower frontline developers. The emerging technology security risk control was enhanced and the working mechanism for research and innovation in emerging technologies was continuously refined.
- ✧ The technological infrastructure construction was advanced. The Bank innovatively applied the lightweight traffic control and other emerging technologies to enhance the distributed batch processing capacity across the board. Solid progress was made in the evolution of the cloud platform technology system and cloud-based infrastructure deployment, with the number of cloud nodes exceeding 260 thousand. The Bank strengthened technical capacity building of the enterprise-level data middle office and big data platforms, shaped a multi-site and multi-center architecture for big data platforms, and achieved T+1 data availability across the board.



## Boosting the Momentum for Digital Development of the Bank

The Bank fully implemented the national strategic plans, strengthened the application of digital innovation achievements, accelerated the cultivation and development of new quality productive forces and sped up D-ICBC development as the main force in serving the real economy. The Bank was awarded the “Digital Bank of the Year, China” for 2024 by *The Asset*, and became the first to achieve the Data Management Capability Maturity Assessment Model (DCMM) Level 5 Re-evaluation Certification of China Federation of Electronics and Information Industry.

- ✧ The “3+3” platforms were iteratively optimized to make digital finance services increasingly convenient. External service platforms were strengthened. The open banking was built and run by the Bank as a whole and an innovative model of cloud ecosystem-based cooperation was introduced, with 66.8 thousand cooperative customers registering an aggregate transaction value of more than RMB375 trillion. Mobile banking launched Version 10.0 and the native HarmonyOS version, and created the intelligent app AI Manager, with more than 260 million mobile MAU. ICBC e-Life has an average MAU of 19.30 million. Internal service platforms were improved. “ICBC Counter Express” launched the Intelligent Terminal 3.0, with more than 60.00 million customers scheduled banking services appointment. “Marketing Express” was upgraded. For personal customers, the wealth management, remote maintenance, customer groups and management platforms were improved. For corporate customers, the customer maintenance management view and managed account view were developed to strengthen the hierarchical maintenance of the broadest customer base. ICBC e Office Version 6.0 was launched to realize the enterprise-level intelligent coworking model.
- ✧ The data foundation was further cemented. The Bank continued to deepen data governance, deployed more than 90 thousand data quality rules, formulated and published more than 100 thousand information standards, applied the AI technology to improve the effectiveness of intelligent standard implementation, and won the “2024 Top Ten Brands of Data Management of China” award from China Federation of Electronics and Information Industry. It strengthened the construction of enterprise-level data middle office, introduced more external data from government agencies, telecom carriers, etc. in compliance with regulations, improved the capability of integrated data application, and accelerated the extraction and sharing of labels, indicators, models, and knowledge graphs. The data middle office services covered more than 40 business lines. The Bank improved the long-term mechanism for data middle office operation, strengthened the coordination of data service needs, optimized the agile delivery process for data products and promoted the in-depth integration of data, technology and business.



- ✧ All-out efforts were made to deliver five key breakthroughs, making the digital finance services increasingly competitive. The Bank innovated the employee empowerment model, improved the “allocating the land on the household basis” mechanism, and optimized the broadest customer base maintenance system. Coordinated efforts were made to build an open financial product system, and the ICBC Treasury Service Initiative was promoted by a combination of business and technology, adding more than 1,400 treasury service customers. The Bank improved digital inclusive finance and pension finance services, built a comprehensive inclusive business management platform to empower outlet operations, and innovatively launched digital inclusive finance products including “Manufacturing e Loan”, “e-Quick Loan”, “Breeding e Loan” and “Small-value e Loan”, leading the industry by either number or balance of personal pension accounts. It further built the enterprise-level smart risk control platform, and completed development of the main functions of the “4E centers”<sup>1</sup> enterprise-level smart risk management platform to empower risk management, inclusive finance, cash settlement management scenarios. The Bank built a stronger branch support platform, created excellent innovation scenarios, strengthened strategic support and solved pain points and difficulties to better meet branches’ needs in expanding ecosystem scenarios including data usage, operation, connectivity and customer reach.
  
- ✧ The Bank strengthened business support capabilities with a growing capacity of digital operation and management. In terms of empowering key business areas, the Bank built a whole-process service system for digital operation of technology finance, and expanded the institutional customer base for the “Digital Countryside” comprehensive service platform. In terms of empowering business management, the Bank improved the sophisticated management of assets and liabilities, and promoted the precise split of revenue among outlets. In terms of empowering new infrastructures, the Bank was the first industry player to achieve 24-hour fully automated processing of cross-border securities settlement in the custody business, launched the custody service for state capital transfer to social security fund and also took the lead in exporting its LLM capabilities into small and medium-sized banks.

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<sup>1</sup> “4E centers” are Enterprise-level risk View service Center (EVC), Enterprise-level risk Measurement service Center (EMC), Enterprise-level risk Monitoring and Alerting service Center (EAC), and Enterprise-level risk Strategy-making service Center (ESC).

## Improving the FinTech Governance System

The Bank implemented the state's decisions and plans for the sci-tech system reform and sci-tech talent development, strengthened the governance of technology infrastructures, improved the mechanism for sci-tech innovation, expanded the FinTech talent pool, and unleashed the vitality of the Bank's sci-tech innovation. In 2024, the Bank invested RMB28,518 million in FinTech, and it had 36 thousand FinTech personnel, accounting for 8.6% of all employees across the Bank.

- ✧ The technology governance framework was improved. The Bank implemented supporting mechanisms, gave play to the review mechanism of the Digital Finance Committee, the Fintech Promotion and Review Committee, and the FinTech Architecture Review Committee, established planning arrangements, strengthened control at the source and boosted the level and quality of scientific decision-making on major matters.
- ✧ The technological foundation management was deepened. The Bank strengthened integrated management across the Group and improved the day-to-day working mechanism for technology management. It enhanced the quality and efficiency of the Group's technological resource management, and built a unified management system covering hardware, software, computer room facilities, internet assets and data to ensure consistency between the Group's assets and the books of account. The technological risk management was strengthened by creating the role of FinTech Risk Officer and improving the supporting management processes. Efforts were intensified to improve quality throughout research and development. The FinTech ethics governance was improved to harmonize innovation with risk prevention.
- ✧ Talent development was strengthened on the technology and data front. By tapping into the "Tech Elite" brand and centralized training mechanisms, the Bank built a team of versatile, innovative and practical talents. A sufficient number of data analysts were maintained in the team, manifesting a reasonable mix and leading professional skills. The Bank created an interdisciplinary analyst training ladder system and a talent management and application mechanism featuring dynamic management and agile response. It deepened the integration of business and technology, promoted personnel exchanges across-institutions, departments and borders and deepened the support for technological talent exchanges of branches in the western region and key branches. A robust professional cyber security team was built to provide stronger technical support for overseas institutions and integrated subsidiaries. Education and training were deepened with a focus on the key areas of FinTech to continuously enhance the expertise of digital talents.

## 4.2.6 Internet Finance

Focusing on improving digital financial services and business systems, the Bank continued to strengthen the capabilities of digital operations, ecosystem-based links, sophisticated services and smart risk control, built a bank “By Your Side and As Your Trust” in the digital era with a diverse, ubiquitous, open and collaborative service matrix, and kept enhancing the adaptability, competitiveness and inclusiveness of financial services. In 2024, digital business accounted for 99% of the total.

- ✧ The Bank is committed to developing a mobile banking “By Your Side and As Your Trust”. It launched Mobile Banking 10.0, further expanded the “AI+” innovative application scenarios, became the first industry player to launch the first native HarmonyOS version of mobile banking and created conversational, immersive customer interaction modes including AI Manager and Digital Space. It also strengthened the online management of key customer groups, optimized the special zone and version services including wealth tab, pension finance, Salary Manager, inclusive version and private banking channel, launched the main venue of mobile banking marketing events, and carried out key brand events such as “ICBC 518” and “New Solar Terms”. At the end of 2024, the Bank had 588 million personal mobile banking customers, with more than 260 million monthly active mobile users, both leading the industry, and was awarded the “Best Mobile Banking Service in China” by *The Asian Banker*.
  
- ✧ The Bank tapped deep into the open banking ecosystem. Focusing on “assisting farmers, benefiting the people, prospering enterprises and optimizing governance with digitalization”, it promoted the “digital financial partnership” event, actively explored the new customer development model of “ecological chain, industrial circle, and large platform” featuring GBC collaboration, achieved business innovation and cooperation breakthroughs in cotton industry chain, online cargo freight, industrial internet and trading market, advanced innovative integration of “platform + products + scenarios” and empowered the industry-leading platforms with digital financial services. Based on the construction of core basic platforms of corporate online banking and mobile banking, the payroll service capacity was upgraded, the digital workplace and business service scenario solutions were developed based on corporate internet banking in conjunction with iFlytek and other industry-leading service providers. As part of the effort to build a modern industrial system, the corporate internet banking upgraded its special version dedicated to sci-tech innovation enterprises. At the end of 2024, the Bank had 16.59 million corporate internet banking and corporate mobile banking customers, with 7.07 million monthly active customers, ranking first in the industry in terms of customer base and activity.

- ✧ The Bank continued to improve the intelligent and intensive service level of cloud banking. It deepened the large-scale application of emerging technologies, such as large language models and optimized the intelligent service systems, including “Gino (Gong Xiao Zhi)” for customer service and “Gina (Gong Xiao Hui)” for in-house service. Customer service agents were equipped with AI assistance throughout pre-event operations, real-time support and post-event quality inspection. The intelligent outbound calling service continued to empower business operation, leading the industry by intelligent service routing rate and intelligent outbound calling volume. The “Yuan Cheng Ban” online and offline integrated service was promoted to enable remote video-based examination for 30 common outlet services in eight categories, further boosting the intelligent service level.
  
- ✧ The Bank systematically promoted the development of a digital operation system. The broadest customer base was grouped into long-tail customers, mid-range customers, wealth management customers, etc. Based on the customer behavior journey, an online customer reach matrix was developed to strengthen customer reach through collaboration among all channels. The “Zhike” enterprise-level digital operation platform was upgraded, achieving a single digital operation strategy applicable to the full customer base through ongoing iteration. The Bank realized data-driven “customer + product + channel + equity” integrated accessibility to customers, and strengthened targeted product recommendation and effective customer reach via channels, so that digital finance services would benefit more customers.
  
- ✧ The Bank continued to boost the smart risk control of online platforms. Relying on digital technologies including big data and artificial intelligence, the internet finance risk management became more targeted and effective. The Bank enhanced the dynamic management of electronic banking payment limits, promoted facial recognition in risk control of corporate internet banking and corporate mobile banking, dynamically optimized the intelligent risk identification, prevention and control mechanism for online transactions, and took a proactive approach to novel fraud risks using emerging technologies such as device fingerprint and remote audio and video service, effectively safeguarding customer funds. The Bank improved the policies and procedures for internet finance, strengthened the management of mobile internet applications for financial services for customers and online platform information monitoring, and strengthened risk prevention and control of open banking partners and digital operations. It also deepened efforts on anti-money laundering and customer information protection in internet finance, carried out off-site monitoring and on-site examination of internet finance risks, and improved the business continuity management of online platforms, ensuring the continuity and stability of business operation and customer service.

- ✧ The Bank actively promoted expansion of e-CNY. It successfully launched e-CNY application scenarios including digital tax service platform, fundraising for local government debts, factoring supply chain platform for energy enterprises, agricultural supplies settlement for provincial agricultural guarantee companies, and prepaid funds escrow for internet platforms. It improved the underlying support system covering e-CNY wallets, smart contracts and risk control, and innovated hardware wallets for the old and foreigners, smart parks and rail transit. The Bank helped scale up the e-CNY pilot in Hong Kong SAR, promoted the Multilateral Central Bank Digital Currency Bridge (“m-CBDC Bridge”) project into MVP stage, and successfully implemented the first cross-border e-CNY trade settlement pilot between China and Singapore, the first to release the e-CNY hardware wallet outside China.

#### **4.2.7 Outlet Building and Service Improvement**

- ✧ The Bank took solid steps to promote the optimization of outlets. It continuously optimized the layout and structure of outlets, activated the existing outlet resources and optimized the self-service banking layout to make financial services more convenient and accessible. In 2024, 527 outlets were reorganized, 104 new outlets were set up in county-level township areas, covering 11 counties where there were no ICBC outlets previously. The coverage rate of county-level outlets increased to 87.4%. Outlet resources have been increasingly compatible with regional socio-economic resources. At the end of 2024, the Bank had 15,365 outlets, 19,746 self-service banks, 76,185 intelligent devices and 49,659 automatic teller machines (“ATMs”). The transaction volume of ATMs reached RMB4,265.2 billion in the year.
- ✧ The Bank continuously improved the services of its outlets. Aiming to build “a bank satisfactory to the people”, the Bank carried out the campaign of outlet service improvement year with the theme of “Serve as You Like in Forty Years” and drove high-quality business development of the Bank with high-quality customer services. It embarked on the construction of outlets specializing in pension finance across the board, formulated the elderly-friendly service standards for banking institutions, continued to standardize outlets’ pension finance services and services for the elderly and set up over 700 flagship and model outlets for pension finance. The Bank enhanced outlets’ “ICBC Sharing Station+” public welfare services for the benefit of the people, organized 15 thousand ICBC Sharing Stations to serve key groups such as outdoor workers, students participating in senior high school and college entrance examinations, and the elderly. It served close to 10 million people through a series of themed events, including the “For Concern and Love” Volunteer Service Month and “Live a New Life with ICBC Sharing Station”. The cash payment service was effectively improved and the RMB “Change Purse” long-term service mechanism was established, with a total of 7,103.1 thousand Change Purses distributed with an aggregate value of RMB2,639 million.

- ✧ The Bank advanced the reform of outlet operation in an all-round way. The counter system was reengineered to serve customers via new platforms, new models and new processes in an orderly way, empowering the enhancement of outlet operations and services. Focusing on high-frequency service, difficulties and pain points of outlets, such as corporate account opening, the scenario-based processes were reengineered at a faster pace. The Bank developed the full customer journey services, promoted the outlet reservation service system and enhanced the walk-in customer identification and guidance capacity. More than 60.00 million customers received the online and offline reservation service in the year, shifting the traditional “waiting and welcoming” reactive service model of outlets to proactive services. The self-service capacity of outlets was enhanced, with the user interface (version 3.0) of intelligent devices brought on stream bank-wide and self-service extended to over 140 items of high-frequency outlet service. The real-time inquiry service for personal and corporate credit reports was launched, providing customers with brand-new, user-friendly digital self-service experience.
  
- ✧ The Bank pursued all-channel coordination and development. While remaining customer-centric, the Bank further built a network of channels (online and offline, internal and external) with information connectivity, created an all-channel service matrix with equal emphasis on own and open channels and integration of online and offline channels. The Bank further promoted service collaboration among online platforms, physical outlets, remote customer service, and account managers, to achieve a service experience of “one-point access, omni-channel response and digital synergy”. The Bank coordinated efforts to reach target customers via integration of channels. Based on the “Zhike” platform, a digital hub for operating strategies was created so as to apply strategies specific to the tiers, groups, categories and circles of customers. Six 100 million-level customer-reaching platforms were made in place, including mobile banking, intelligent outbound calling, SMS outbound dialing, WeChat official account, applet and web portal. “Zhi”, “Zheng”, “Cheng” AI-powered digital employees were integrated into both online and offline channels, including mobile banking, physical outlets and cloud banking, serving customers over 1,434 million times in the year, making financial services more accessible and convenient by digital means.



- ✧ The Bank deepened the digital empowerment of operations. It accelerated the application of digital customer service in business guidance, customer verification and risk prevention and control, and provided entire-process human-like companion service to enhance the service efficiency and management standard of outlets. The Bank has consistently deepened the brand development of “ICBC Account Link”, establishing a comprehensive ecosystem-based service system that achieves “full coverage of customer categories, integrated online-offline operations, and complete penetration of core banking products”. The Bank has fully implemented a unified domestic-foreign currency account system, enabling customers to conduct multi-currency fund transactions and centralized management, thereby enhancing service capabilities in the domestic-foreign currency account service market. The Bank created the “Cloud Receipt” and “Cloud Reconciliation” service models, uploaded the MOF’s accounting data standards for electronic bank vouchers at the source and supported external service provision via multiple channels, created links to over 350 pilot organizations, including State Grid and Chinese Academy of Sciences and effectively fueled enterprises’ low-carbon development and digital transformation. The Bank advanced full digitization of value-added tax invoice management, fully promoted the application of digital and electronic invoice services over the counter and via corporate internet banking, and created a new invoice management model featuring business processing with real-time invoicing and full digitalization of invoice elements.
  
- ✧ The Bank comprehensively coordinated the Group’s business continuity management. It enhanced the monitoring and early warning functions for key operations, integrated important business indicators covering outlet operations and internet finance with the technology-assisted monitoring capacity and developed the multi-dimensional business continuity monitoring system and capacity. To strengthen the emergency management of outlets, the Business Emergency Plan for Outlets was revised to provide the pre-event prevention, real-time handling and after-event recovery processes for 31 emergency scenarios in seven categories. The Bank carried out over 600 emergency drill plans and completed relevant business drills, highlighting remote takeover, interdisciplinary collaboration, business-technology collaboration and internal-external collaboration. The business continuity management system was assessed for integrity, reasonableness and effectiveness on an ongoing basis, with improvements made and regular audits conducted.



## 4.2.8 Human Resources Management, Employees and Institutions

### Human Resources Management

- ✧ With the focus on high-quality development of operations, centering on key areas of business development and competition, the Bank allocated human resources in a coordinated manner and improved operating capability by enhancing the quality and efficiency of human resources. With a focus on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank further propelled the teams building of marketing, credit, technology, data and emerging business, continuously improved the talent cultivation, motivation, and utilization mechanisms, and strove to build a strong financial talent team that meets the requirements of building a financially robust country. The Bank promoted in-depth integration of technology, data, and business talents, enhanced the level of sci-tech data empowering business development. It refined organizational functions to stimulate talent vitality.
- ✧ The Bank actively cultivated and practiced the financial culture with Chinese characteristics, strengthened corporate culture development for the new era, in order to provide cultural support for high-quality development. To boost the public awareness of the financial culture with Chinese characteristics, the Bank produced a series of micro-videos, and carried out a variety of cultural activities at all levels, to make cultural concepts take roots in grassroots organizations, and encouraged all employees to disseminate and advocate the culture. To reinforce probity culture construction in the new era, the Bank further promoted the development of the probity culture research center, developed the education base system for probity culture, and produced a series of warning and educational films, to enhance probity education of employees at all levels and cultivate a culture of advocating probity and fighting against corruption.
- ✧ Focusing on implementing the executive education and training base in the new era, ICBC launched a series of key training programs, to effectively facilitate training at all levels and continuously enhance the comprehensive quality and performance capability of cadres and employees. The Bank conducted special training on the “Five Priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance, created a training system that focuses on key job positions and business priorities and difficulties and requires collaborative efforts of the Head Office and branches, and carried out hierarchical, systematic and on-the-job training in an orderly manner to enhance the ability of officers and employees to provide financial services in the new era. The “Clean ICBC” training was conducted to provide probity education for heads of tier-one and tier-two institutions of the Group, and for key groups engaged in credit, emerging business and procurement activities, so as to strengthen their political determination, improve disciplinary and legal

culture cultivation, and reinforce self-discipline awareness. Targeting core backbone employees, the Bank carried out the key projects such as ability enhancement program for vice presidents in charge of credit (risk officers), “Sword Sharpening Program” for the discipline inspection line, and training in rotation for outlet heads, to help build a professional talent team. Focusing on the growth of talents, the Bank implemented a series of programs including Global Leadership Development Program, “ICBC Star Program” and Training for New Employee Mentors, building a full-chain, and systematic training system. The Bank carried out the “We Read”, “Fun Learning” and “ICBC Pool Wisdom” programs and advanced digital transformation, examination and certification optimization and resource platform development, fostering a sound atmosphere of cooperation, sharing and empowerment with fun learning.

## **Remuneration Policy**

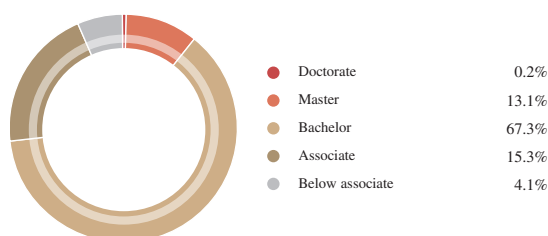
- ✧ The Bank adopted a remuneration policy that is in line with corporate governance requirements, in combination with high-quality development targets, in adaptation to the risk management system and talent development strategy, and well-matched with employees’ value contribution, so as to advance the sound operation and high-quality development of the whole bank. The Bank’s remuneration management policy was formulated and adjusted in strict accordance with applicable national regulations, regulatory requirements and corporate governance procedures. The Bank continuously optimized the remuneration resource allocation mechanism with value creation as the core, resolutely maintained a fair allocation concept of incentives commensurate with restraints, transmitted the Group’s strategic objectives for business management, and allocated more remuneration resources to the grassroots employees, for the purpose of mobilizing and inspiring the business vitality of institutions at all tiers.
  
- ✧ The Bank’s employee remuneration consisted of basic remuneration, performance-based remuneration and welfare income. In particular, the basic remuneration depended on an employee’s value contribution and ability to perform duties, and the performance-based remuneration was based on the overall situation of the Bank, the employee’s institution or department, and the employee’s personal performance measurement results. Meanwhile, the performance-based remuneration to the Senior Management and employees in positions that have a significant influence on risks was subject to a deferred payment and recourse deduction mechanism, so as to balance risks and incentives. For employees who violated regulations and disciplines or had abnormal exposure to risk losses within their duties, their performance-based remuneration for the corresponding period shall be deducted, withheld and recovered according to the severity of the violation. During the reporting period, according to relevant measures, the Bank deducted, withheld or recovered payment of corresponding performance-based remuneration to employees who were subject to disciplinary action or other treatments due to violation of regulations and disciplines or abnormal exposure of risk losses within their duties.

- ✧ The Bank's 2024 remuneration plan was prepared and implemented as per the internal decision-making process. The execution of total annual salaries was reported to the authority for filing according to national regulations. During the reporting period, the Bank's Senior Management fulfilled the indicators concerning economic, risk and social responsibilities well, and the final results will be determined after deliberation by the Board of Directors.

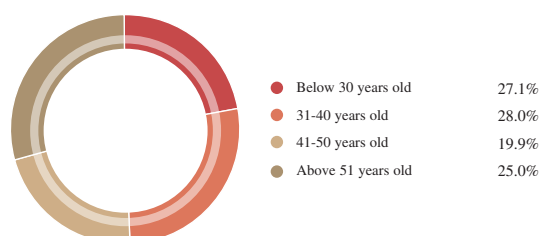
## Basic Information on Employees and Institutions

- ✧ As at the end of 2024, the Bank had a total of 415,159 employees, including 10,638 employees in domestic subsidiaries, and 15,653 in overseas institutions. The Bank's employee gender ratio remained generally balanced and there was no significant change from the end of last year. In the future, the Bank will continue to pay attention to the employee gender structure, strengthen tracking and monitoring in areas such as personnel exit and recruitment, and take effective measures to maintain a balanced and stable gender ratio.

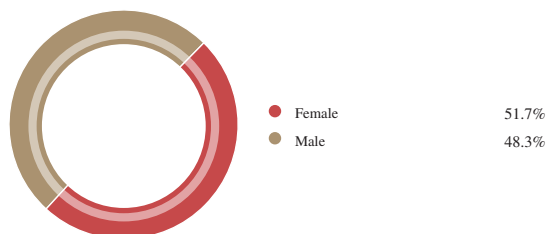
Structure of employee educational background



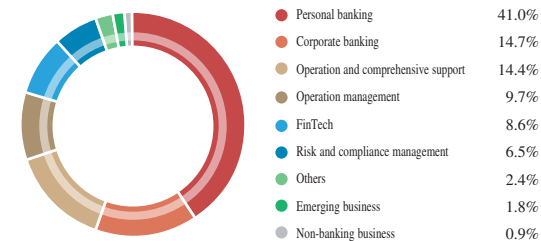
Structure of employee age



Structure of employee gender



Structure of employee specialization



- ✧ As at the end of 2024, the Bank had a total of 16,383 institutions, representing an increase of 86 as compared with the end of the previous year. Among them, there were 15,975 domestic institutions and 408 overseas ones. Domestic institutions included the Head Office, 36 tier-one branches and branches directly managed by the Head Office, 460 branches in capital cities and tier-two branches, 15,107 outlets, 21 institutions directly managed by the Head Office and their branches, and 350 subsidiaries and their branches.

## **GEOGRAPHIC DISTRIBUTION OF ASSETS, INSTITUTIONS AND EMPLOYEES AT THE END OF 2024**

<b>Item</b>	<b>Assets</b>		<b>Number of institutions</b>	<b>% of total institutions</b>	<b>Number of employees</b>	<b>% of total employees</b>
	<b>(in RMB millions)</b>	<b>% of total assets</b>				
Head Office	7,841,046	16.1	22	0.1	21,590	5.2
Yangtze River Delta	12,434,709	25.5	2,501	15.3	60,310	14.5
Pearl River Delta	7,718,129	15.8	1,940	11.8	47,198	11.4
Bohai Rim	7,246,667	14.8	2,619	16.0	64,218	15.5
Central China	5,406,280	11.1	3,375	20.6	75,767	18.2
Western China	6,270,179	12.8	3,582	21.9	83,025	20.0
Northeastern China	1,696,003	3.5	1,586	9.7	36,760	8.9
Overseas and others	5,753,936	11.8	758	4.6	26,291	6.3
Eliminated and unallocated assets	(5,545,203)	(11.4)				
<b>Total</b>	<b><u>48,821,746</u></b>	<b><u>100.0</u></b>	<b><u>16,383</u></b>	<b><u>100.0</u></b>	<b><u>415,159</u></b>	<b><u>100.0</u></b>

*Note:* Overseas and other assets include investments in associates and joint ventures.

## 4.2.9 International Operation

In the global operation with international perspective, the Bank has made constant efforts to improve its operation system both in and outside China, integrating local and international currencies. Leveraging on its global operation edge, the Bank has been constantly sharpening cross-border financial services, with a view to supporting high-quality implementation of the Belt and Road and China's high-level opening-up.

- ✧ The Bank further served the high-level opening-up of China. To help turn China into a trader of quality, the Bank fulfilled its “Chunrong Action 2024” service commitments, vigorously supported the integrated development of domestic and foreign trade and issued RMB4.8 trillion of aggregate financing, on and off balance sheet, to key export companies and foreign-funded enterprises operating in the domestic market. The Bank optimized comprehensive financial services for cross-border e-commerce and handled RMB273,174 million worth of transactions for new forms of business, such as payment agencies and cross-border e-commerce, up 33.8% over the previous year, serving more than 100 thousand micro, small and medium-sized merchants. The Bank continued to promote the “single window” financial services for customs clearance and boosted trade facilitation, handling USD6,487 million of cross-border remittances in 2024. The Bank satisfied foreign exchange customers' cross-border integrated financial service needs in an all-round way, and promoted the structural diversification of foreign investment and foreign trade customers, provided global comprehensive services for foreign-invested enterprises across the entire capital chain and all financial scenarios, and helped attract more long-term capital to develop business in China. The Bank deeply created a joint prevention and control mechanism for international banking risk management, comprehensively carried out the product-customer-risk matching management and effectively promoted the high-quality development and high-level security of foreign exchange business.
- ✧ The Bank advanced the internationalization of the RMB in a steady, prudent, and solid way. The Bank continued the “Chunxu Action” to provide pro-active solutions for global market entities in cross-border RMB business such as cross-border settlement, investment and financing as well as risk management. The Bank fully leveraged the active role of clearing banks in cultivating offshore RMB market, continuously strengthened the construction of clearing infrastructure, enhanced clearing service capabilities, and supported and guided the healthy development of the offshore RMB market. It took the lead in establishing the headquarters for separate accounting units of free trade accounts. As one of the first batch of pilot banks, the Bank launched multi-functional free trade accounts and actively supported the innovative development of cross-border RMB business in Shanghai International Financial Center, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. It provided innovative services for multinational companies in trade settlement and treasury management, facilitating FDI investment and utilization. Cross-border RMB business application scenarios were built to support the development of micro, small and medium-sized enterprises. In 2024, cross-border RMB business reached RMB9.8 trillion.

- ✧ International cooperation was enhanced continuously. As the chair of the BRICS Business Council Chinese Chapter, the Bank lived up to its responsibilities and effectively served the multilateral cooperation among BRICS countries. The Bank has been facilitating the upgrading of China-Europe economic and trade relations relying on China-Europe Business Council (“CEBC”). The Bank strengthened the Belt and Road Bankers Roundtable (“BRBR”) mechanism to promote high-quality development of the Belt and Road. The Bank actively served international exhibitions, including China International Import Expo, China Import and Export Fair, China International Fair for Trade in Services and China International Supply Chain Expo, to facilitate high-standard opening up.
- ✧ Global network was developed, strengthening cross-border financial servicing capacity. As at the end of 2024, the Bank had been operating 408 overseas institutions in 49 countries and regions, together with further 20 African countries through shareholding in the Standard Bank Group. In total, it had 254 institutions in 31 countries that have participated in the Belt and Road initiative. The Bank also entered into business relationships with 1,461 foreign banks in 143 countries and regions. Its service network has full coverage of six continents and key international financial centers around the world.
- ✧ A momentum of stable growth was sustained by overseas operations amidst complicated challenges. The Bank continuously enhanced global financial servicing capacity in corporate & investment banking, global cash management, retail banking, internet finance, project financing, financial markets, asset management, and asset custody, establishing a global financial service system for individual customers. The Bank built a domestic and overseas integrated marketing system, promoted business development and the improvement of cross-border financial service in the Guangdong-Hong Kong-Macao Greater Bay Area, and provided efficient payment services to foreigners in China. The Bank has harmonized cross-border synergy, and launched “ICBC Global Pay” and “YES ICBC” service brand, supporting more business scenarios.



## MAJOR INDICATORS FOR OVERSEAS INSTITUTIONS

Item	Assets (in USD millions)		Profit before taxation (in USD millions)		Number of institutions	
	At the end of 2024	At the end of 2023	2024	2023	At the end of 2024	At the end of 2023
	Hong Kong SAR and Macao SAR	<b>206,670</b>	201,941	<b>1,126</b>	551	<b>96</b>
Asia-Pacific Region (except Hong Kong SAR and Macao SAR)	<b>144,381</b>	136,959	<b>1,700</b>	1,522	<b>88</b>	90
Europe	<b>87,152</b>	87,215	<b>771</b>	786	<b>70</b>	74
America	<b>40,157</b>	41,367	<b>349</b>	386	<b>153</b>	153
African Representative Office	-	-	-	-	<b>1</b>	1
Eliminations	<b>(44,509)</b>	(50,847)				
<b>Subtotal</b>	<b>433,851</b>	416,635	<b>3,946</b>	3,245	<b>408</b>	413
Investment in Standard Bank <sup>(1)</sup>	<b>3,692</b>	3,573	<b>456</b>	454		
<b>Total</b>	<b>437,543</b>	420,208	<b>4,402</b>	3,699	<b>408</b>	413

*Note:* (1) The assets represent the balance of the Bank's investment in Standard Bank and the profit before taxation represents the Bank's gain on investment recognized by the Bank during the reporting period.

- ✧ As at the end of 2024, total assets of the Bank's overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank) were USD437,543 million, representing 6.5% of the Group's total assets. Specifically, total loans amounted to USD172,140 million, and due to customers was USD164,255 million. Profit before taxation during the period was USD4,402 million, accounting for 7.6% of the Group's profit before taxation.

# DISTRIBUTION OF OVERSEAS INSTITUTIONS

## Asia-Pacific Region (except Hong Kong SAR and Macao SAR)

### Institutions (country/region)



Tokyo Branch (Japan)	Yangon Branch (Myanmar)
Seoul Branch (South Korea)	ICBC (Almaty) (Kazakhstan)
Busan Branch (South Korea)	Karachi Branch (Pakistan)
Mongolia Representative Office (Mongolia)	Mumbai Branch (India)
Singapore Branch (Singapore)	Dubai (DIFC) Branch (UAE)
ICBC (Indonesia) (Indonesia)	Abu Dhabi Branch (UAE)
ICBC (Malaysia) (Malaysia)	Doha Branch (Qatar)
Manila Branch (Philippines)	Riyadh Branch (Saudi Arabia)
ICBC (Thai) (Thailand)	Kuwait Branch (Kuwait)
Hanoi Branch (Vietnam)	Sydney Branch (Australia)
Ho Chi Minh City Representative Office (Vietnam)	ICBC (New Zealand) (New Zealand)
Vientiane Branch (Lao PDR)	Auckland Branch (New Zealand)
Phnom Penh Branch (Cambodia)	

## America

### Institutions (country/region)



New York Branch (USA)	ICBC (Peru) (Peru)
ICBC (USA) (USA)	ICBC (Argentina) (Argentina)
ICBCFS (USA)	ICBC Investments Argentina (Argentina)
ICBC (Canada) (Canada)	Inversora Diagonal (Argentina)
ICBC (Mexico) (Mexico)	Panama Branch (Panama)
ICBC (Brasil) (Brazil)	

## Hong Kong SAR and Macao SAR

### Institutions (country/region)



Hong Kong Branch (Hong Kong, China)	ICBC (Macao) (Macao, China)
ICBC (Asia) (Hong Kong, China)	Macao Branch (Macao, China)
ICBC International (Hong Kong, China)	

## Europe

### Institutions (country/region)



Frankfurt Branch (Germany)	ICBC (London) (UK)
Luxembourg Branch (Luxembourg)	London Branch (UK)
ICBC (Europe) (Luxembourg)	ICBC Standard Bank (UK)
Paris Branch (France)	Bank ICBC (JSC) (Russia)
Amsterdam Branch (the Netherlands)	ICBC Turkey (Türkiye)
Brussels Branch (Belgium)	Prague Branch (Czech Republic)
Milan Branch (Italy)	Zurich Branch (Switzerland)
Madrid Branch (Spain)	ICBC (Austria) (Austria)
Warsaw Branch (Poland)	
Greece Representative Office (Greece)	
ICBC (Macao) Lisbon Representative Office (Portugal)	

## Africa

### Institutions (country/region)



Investment in Standard Bank (South Africa)
African Representative Office (South Africa)

## 4.2.10 Comprehensive Operation and Subsidiary Management

The Bank remained committed to serving national strategies and the real economy, focused on main business, refined specialized business, and formed a multi-field integrated development layout covering fund, leasing, insurance, debt-for-equity swap, wealth management, FinTech, overseas investment banking, etc., making comprehensive financial services increasingly adaptative, inclusive and competitive.

The Bank continued to refine the Group's integrated governance system, and built an integrated subsidiary management system focusing on "strengthening management, controlling risk and promoting development" to further improve the management efficiency of the headquarters of the Group. Domestic subsidiaries were caused to integrated Party building with corporate governance in depth. All subsidiaries optimized the corporate governance mechanism, giving full play to the performance efficacy of their boards of directors and supervisors. It continuously optimized the domestic integrated subsidiary governance model with Party building, corporate governance and equity management at its core. Meanwhile, the Bank optimized the strategic evaluation mechanism and promoted deep and accurate transmission of the Group's strategy to subsidiaries. The Bank coordinated the diversified operation strategy with the internationalization strategy. The "subsidiary-specific policy" strengthened subsidiary planning management and enhanced business coordination. The Bank bought the controlling interest in Bank of Jinzhou to implement optimal consolidation and sharpen its regional edge. Subsidiaries were guided toward the "five transformations" and "Five Priorities" to further boost their ability to serve customers, create value and compete with other market entities.

The Enterprise Risk Management System covering the risk characteristics of integrated subsidiaries was refined. Based on the risk management route of "active prevention, smart control and comprehensive management", the Bank intensified the coordinated management of "9+X" categories of risks, fully implemented the "Five-pronged Risk Management Approach"<sup>1</sup>. It pressed ahead with IT development, data governance and digital transformation of subsidiaries, empowering business transformation and high-quality development. The Bank enhanced consolidated management, authorization management and see-through management of subsidiaries, strengthened systematic, standardized and intelligent management of equity investment information. Meanwhile, the Bank stepped up efforts in the building of the three lines of defense of subsidiaries, improved risk prevention & control and internal control and compliance capabilities of subsidiaries, and pursued prudent operation and high-quality development.

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<sup>1</sup> "Five-pronged Risk Management Approach" refers to the overall risk management system of Head Office and branches, domestic and overseas institutions, on- and off-balance sheet businesses, online and offline business, commercial banking and investment banking subordinated institutions.

## ◆ ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management is mainly engaged in fund raising, fund sales, asset management and other businesses approved by the CSRC. It had many business qualifications such as mutual fund, QDII, enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity, basic endowment insurance investment manager and mutual fund investment advisor, and was one of the “fully qualified” fund companies in the industry.

- ✧ ICBC Credit Suisse Asset Management continued to improve its professional capabilities in investment research, strengthened compliance and risk control and management, deepened Group-wide collaboration, and gained a sound momentum of steady improvement and quality enhancement in business development. Its investment performance remained among the top in the industry. The public REITs business made breakthroughs by successfully issuing “ICBC Hebei Expressway REIT” and “ICBC Mengneng Clean Energy REIT”, actively serving the real economy and revitalizing existing assets. It continued to improve service quality, enhanced post-investment companionship, strengthened investor protection, and continuously promoted investor education, which was evaluated as excellent for six consecutive years in the assessment of the national securities and futures investor education base.
- ✧ At the end of 2024, ICBC Credit Suisse Asset Management managed 254 mutual funds, and 580 annuities, separately managed accounts and special portfolios, with assets totaling RMB2.09 trillion, of which the pension investments under management exceeding RMB1 trillion.

## ◆ ICBC Leasing

ICBC Leasing is mainly engaged in the financial leasing of large-scale equipment in key areas such as aviation, shipping, energy and power, rail transit, equipment manufacturing and areas requiring SRDI. It provides a range of financial and industrial services such as the transfer of leasing assets, asset trading and asset management.

- ✧ In the aviation sector, ICBC Leasing delivered remarkable results in providing quality services for the new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other. It signed the third round of three-year action plan with Commercial Aircraft Corporation of China, Ltd. and successfully delivered the first batch of four C919 aircraft, becoming the No. 1 leasing company by financing support for either C919 or C909. ICBC Leasing fully leveraged on its global business network to implement the Belt and Road Initiative, with its business covering close to 90 high-quality airline companies in more than 40 countries and regions. It launched the first offshore RMB financial leasing deal for aviation. It established strategic partnerships with domestic commercial aero-engine manufacturers and low-altitude aircraft developers and makers, extending financial support for the domestic aviation manufacturing industry along the industrial chain.

- ✧ In the maritime sector, ICBC Leasing focused on developing a business cooperation system across the entire shipping industry chain with the aim of “shipping made-in-China products with Chinese-built vessels”. It has cooperated with large domestic shipowners and cargo owners in ship leasing projects, vigorously supported the world’s leading shipping companies in placing purchase orders with Chinese shipyards for high-tech and high-value-added vessels, and supported domestic enterprises in carrying out independent technological innovation in new energy power vessels, trans-oceanic communication cable laying vessels, offshore windfarm support vessels and high-end underwater remotely operated vehicles. It actively carried out cross-border RMB ship leasing to support the RMB internationalization strategy.
- ✧ In the domestic comprehensive leasing sector, ICBC Leasing rendered an improved level of service for China’s major strategies, key areas and weak links. Focusing on the development of new infrastructures and strategic emerging industries, it continued to consolidate business strengths in green finance and effectively promoted chain marketing. Breakthroughs were made in energy storage, battery switching, computing power, offshore wind energy, and distributed solar photovoltaics.

#### ◆ ICBC-AXA

ICBC-AXA operates various insurance businesses such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, businesses permitted by national laws and regulations to use insurance funds and other businesses approved by regulatory authorities.

- ✧ ICBC-AXA tapped deeply into the “wealth, health and pension” needs of customers and continued to optimize product supply. It vigorously developed pension finance and launched commercial pension insurance products dedicated to inclusive customer groups and four personal pension products. It enriched the supply of inclusive insurance products by introducing “Worry-free Journey”, an insurance program for flexible employees. A well-established health insurance product system was put in place, covering health insurance needs of different levels and terms, such as illness, healthcare, disability and nursing. It launched the pilot program on “liability conversion between life insurance and long-term care insurance”, rolled out new life insurance products with conversion benefits, and further expanded the pilot scope of health insurance innovation.

- ✧ ICBC-AXA continued to improve the health and elderly service system, deepened capacity building for elderly services, and actively promoted the development of health and elderly services. It upgraded value-added services for pension insurance products, strengthened multi-level management of customers, refined service guidelines and enriched the supply of service items. It maintains partnership with elderly care organizations in Beijing, Shanghai, Hangzhou, Jinhua, Quzhou and Guangzhou, etc. With a focus on treatment of serious diseases and health advice, the value-added services for critical illness insurance were upgraded.
- ✧ ICBC-AXA further advanced digital transformation. It increased the efficiency of operations for customers, improved customer experience, and launched the “All-in-One Code” quick claim service for small-value outpatient expenses requiring no supporting documents in selected areas. The video service was upgraded as part of the service platform integrating voice, text and video, adding to the convenience in business processing.

#### ◆ **ICBC International**

ICBC International is a wholly owned subsidiary of the Bank in Hong Kong SAR, China. Its business scope covers sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc. and provides all-round cross-border comprehensive financial services for corporate and personal customers.

- ✧ ICBC International focused on the main business, increased investment in serving key sectors including technology finance and green finance, continued to boost strategic synergy of the Group, deepened the integrated development of corporate financing, sales and trading, investment, asset and wealth management and investment research services, consolidating and enhancing its competitiveness and influence in the Hong Kong market. In 2024, ICBC International remained among the top tier of market entities by total underwriting of equity and debt instruments.
- ✧ Keeping to the path of high-quality transformation and development, ICBC International focused on supporting the investment and financing needs in key areas including medical and health care, strategic technologies, intelligent manufacturing and mega consumption. It continued to improve the sales and trading product service system and remained competitive in brokerage service. It restructured the asset and wealth management business system with its own characteristics and explored customized, differentiated asset management products and services. Unleashing its strengths in investment research, ICBC International innovatively launched the “ICBC International New Quality Productive Forces Stock Index”, and won the “Best Bond Advisor in Hong Kong” award from *The Asset* for five consecutive years.



## ◆ ICBC Investment

ICBC Investment is one of the first pilot institutions in China to conduct debt-for-equity swaps of banks. It holds the franchise license of non-bank financial institution and is mainly engaged in debt-for-equity swaps and supporting businesses, and carries out pilot equity investment through affiliates.

- ✧ By giving full play to its debt-for-equity swap license and professional advantage in this field and focusing on serving the real economy and preventing and defusing financial risks, ICBC Investment strengthened the bank-corporate cooperation and the investment-loan coordination, improved integrated financial services that combine equity and debt, enriched the varieties of debt-for-equity investment plans and private equity fund products, and made steady progress in the quality development of market-based debt-for-equity swap businesses. Meanwhile, ICBC Investment greatly supported enterprises in their de-leveraging, leverage stabilizing, strength gaining, and reform promoting. It continuously enhanced the ability and effectiveness of risky asset disposal across the Group, played an active role in the formulation of corporate debt restructuring, debt-for-equity swap plans and reorganization plans, standardized corporate governance and production & operation, helped enterprises tide over difficulties through reform and continuously improved the asset quality of banks. It actively promoted pilot equity investment to strengthen support for sci-tech innovation enterprises. Further playing its role as a shareholder, ICBC Investment dispatched directors and supervisors to the debt-for-equity swap enterprises and got deeply involved in the corporate governance of such enterprises, and promoted the healthy and sustainable development of enterprises.

## ◆ ICBC Wealth Management

ICBC Wealth Management engages mainly in the issuance of wealth management products, wealth management advisory and consulting services as well as other activities approved by the NFRA.

- ✧ ICBC Wealth Management focused on its major responsibilities and core businesses to serve the real economy. It continued to improve top-level design, harnessed the functions of wealth management to issue wealth management products themed by sci-tech innovation and green finance and deepened the application of green classification management and whole-process ESG risk management. Leveraging on its multi-market, multi-asset, multi-strategy investment research capabilities, ICBC Wealth Management met the lifecycle capital needs of tech firms and green industries. While ensuring the returns to customers, more wealth management resources were allocated to key areas and weak links in economic and social development.

- ✧ ICBC Wealth Management introduced innovative products and services, putting into practice the philosophy of wealth management for the people. Adhering to the customer-centric development philosophy and aiming to become a wealth management company satisfactory to the people, ICBC Wealth Management introduced innovative service features focused on customer needs, including automatic investment plans, 7\*24 Quick Redemption, “Zhi Xiang Huan” and “WM Night Market”, enriched the product offerings for such themes as the Guangdong-Hong Kong-Macao Greater Bay Area, charity and pension, and launched target profit, profit band and other special mechanisms. It actively served the third-pillar pension development, taking into account the long-term value growth and short-term liquidity needs of customers.
- ✧ ICBC Wealth Management improved customer companionship to enhance brand value. It actively explored a more effective and better targeted approach to investor companionship. The “Clear Management, Clean Wealth” investor education brand was included in the special internet cases of the wealth management investor companionship base of the China Banking Association, It carried out the “County-area Consumer Protection Tour” event series to help improve the environment for harmonious financial consumption. It was awarded the “People’s Craftsmanship Brand Award” by People.cn for three consecutive years and the “Golden Bull Award for Bank Wealth Management” by *China Securities Journal* for five consecutive years.
- ✧ At the end of 2024, the balance of ICBC Wealth Management products reached RMB1,961,351 million, all of which were net-worth products.

### **WEALTH MANAGEMENT PRODUCTS OF ICBC WEALTH MANAGEMENT THAT WERE ISSUED, MATURED, AND EXISTED DURING THE REPORTING PERIOD**

*In RMB millions, except for tranches and percentages*

Item		At 31 December 2023		Products issued		Matured products		At 31 December 2024		
		Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Number of tranches	Amount	Percentage (%)
Classified by fundraising method	Publicly offered	1,011	1,552,597	522	223,855	643	299,248	890	1,885,335	96.1
	Privately offered	190	54,880	115	66,875	121	54,305	178	76,016	3.9
Classified by investment type	Fixed-income	906	1,552,905	559	238,259	668	325,170	797	1,877,046	95.7
	Equity	53	5,578	-	-	11	10,179	36	2,370	0.1
	Hybrid	242	48,994	78	52,471	85	18,204	235	81,935	4.2
<b>Total</b>		<u>1,201</u>	<u>1,607,477</u>	<u>637</u>	<u>290,730</u>	<u>764</u>	<u>353,553</u>	<u>1,068</u>	<u>1,961,351</u>	<u>100.0</u>

## DIRECT AND INDIRECT INVESTMENTS OF ICBC WEALTH MANAGEMENT IN WEALTH MANAGEMENT PRODUCTS AS AT THE END OF 2024

*In RMB millions, except for percentages*

Asset type	Amount	Percentage (%)
Cash, deposits and reverse repurchase agreements	822,618	40.6
Bonds	1,011,226	50.0
Non-standard debt assets	30,941	1.5
Other assets <sup>(1)</sup>	160,083	7.9
<b>Total</b>	<b>2,024,868</b>	<b>100.0</b>

*Note:* (1) Other assets include equity assets, financial derivatives, QDII and mutual funds.

### 4.2.11 Major Controlled Subsidiaries and Equity Participating Company

#### ◆ Major Overseas Subsidiaries

Institution	Principal business	At 31 December 2024			2024
		Issued share capital/paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Asia) Limited	Commercial banking	HKD44,188 million	124,819.03	20,104.84	830.18
ICBC International Holdings Limited	Investment banking	HKD5,963 million	7,016.21	1,058.98	2.70
Industrial and Commercial Bank of China (Macau) Limited	Commercial banking	MOP589 million	46,577.07	3,913.78	18.47
PT. Bank ICBC Indonesia	Commercial banking	IDR3.71 trillion	3,147.68	449.06	29.07
Industrial and Commercial Bank of China (Malaysia) Berhad	Commercial banking	MYR833 million	1,190.99	324.03	16.29
Industrial and Commercial Bank of China (Thai) Public Company Limited	Commercial banking	THB20,107 million	7,629.61	1,347.65	81.49

Institution	Principal business	At 31 December 2024			2024
		Issued share capital/paid-in capital	Total assets (in USD millions)	Net assets (in USD millions)	Net profit (in USD millions)
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	Commercial banking	KZT8,933 million	682.34	165.11	39.69
Industrial and Commercial Bank of China (New Zealand) Limited	Commercial banking	NZD234 million	1,448.46	189.37	11.55
Industrial and Commercial Bank of China (Europe) S.A.	Commercial banking	EUR437 million	7,537.14	554.75	(11.19)
ICBC (London) PLC	Commercial banking	USD200 million	1,700.25	544.85	39.72
ICBC Standard Bank PLC	Banking	USD1,083 million	26,600.79	1,941.74	154.47
Bank ICBC (joint stock company)	Commercial banking	RUB10,810 million	4,584.50	667.21	285.17
ICBC Turkey Bank Anonim Şirketi	Commercial banking	TRY12,770 million	2,855.67	139.37	(53.00)
ICBC Austria Bank GmbH	Commercial banking	EUR200 million	1,102.38	210.88	4.33
Industrial and Commercial Bank of China (USA) NA	Commercial banking	USD369 million	2,880.61	471.67	24.96
Industrial and Commercial Bank of China (Canada)	Commercial banking	CAD208 million	2,180.88	337.50	27.07
Industrial and Commercial Bank of China Mexico S.A.	Commercial banking	MXN1,597 million	693.88	54.84	13.82
Industrial and Commercial Bank of China (Brasil) S.A.	Commercial banking	BRL202 million	323.22	25.79	(2.12)
ICBC PERU BANK	Commercial banking	USD120 million	716.61	144.33	9.14
Industrial and Commercial Bank of China (Argentina) S.A.U.	Commercial banking	ARS373,751 million	7,165.72	1,500.19	144.03

## ◆ Major Domestic Subsidiaries

Institution	Principal business	In RMB100 millions			
		At 31 December 2024	2024	2024	2024
		Issued share capital/paid-in capital	Total assets	Net assets	Net profit
ICBC Credit Suisse Asset Management Co., Ltd.	Fund management	2	251.06	208.36	21.10
ICBC Financial Leasing Co., Ltd.	Leasing	180	4,174.61	528.28	24.79
ICBC-AXA Assurance Co., Ltd.	Insurance	125.05	3,495.36	137.13	10.25
ICBC Financial Asset Investment Co., Ltd.	Financial asset investment	270	1,838.62	525.71	47.97
ICBC Wealth Management Co., Ltd.	Wealth management	160	221.77	219.04	14.22

## ◆ Major Equity Participating Company

### Standard Bank Group Limited

Standard Bank is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. The Bank continued to hold 324,963,464 shares or 19.59% of Standard Bank and to be its single largest shareholder. Based on mutual benefit and win-win cooperation, the two sides furthered their cooperation in equity cooperation, customer expansion, project financing, product innovation, risk management, FinTech and staff exchange, etc. As at the end of 2024, Standard Bank recorded total assets of ZAR3,269,378 million and net assets of ZAR292,656 million. It generated a net profit of ZAR50,184 million in the year.

### 4.3 Capital Adequacy Ratio and Leverage Ratio

Since 1 January 2024, the Bank has calculated its capital adequacy ratios at all levels in accordance with the Rules on Capital Management of Commercial Banks. According to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, the Bank adopted the foundation internal ratings-based (“IRB”) approach for corporate credit risk and the advanced IRB approach for retail credit risk that met the regulatory requirements, and adopted the weighted approach for credit risk uncovered by the IRB approach, the standardized approach mainly for market risk, and the standardized approach for operational risk.

As at the end of 2024, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, capital adequacy ratio and leverage ratio calculated by the Bank in accordance with the Rules on Capital Management of Commercial Banks stood at 14.10%, 15.36%, 19.39% and 7.75%, respectively, complying with regulatory requirements<sup>1</sup>.

<sup>1</sup> The Bank’s capital adequacy ratio and leverage ratio both met the additional regulatory requirements for systemically important banks.

## CAPITAL ADEQUACY RATIO

*In RMB millions, except for percentages*

Item	At 31 December 2024
<b>Common equity tier 1 capital</b>	<b>3,648,963</b>
Paid-in capital	356,407
Valid portion of capital reserve	148,128
Surplus reserve	463,951
General reserve	614,426
Retained profits	2,007,203
Valid portion of minority interests	4,071
Accumulated other comprehensive income	54,777
<b>Common equity tier 1 capital deductions</b>	<b>24,621</b>
Goodwill	18,687
Other intangible assets other than land use rights	10,194
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(4,260)
<b>Net common equity tier 1 capital</b>	<b>3,624,342</b>
<b>Additional tier 1 capital</b>	<b>325,111</b>
Additional tier 1 capital instruments and related premiums	324,344
Valid portion of minority interests	767
<b>Net tier 1 capital</b>	<b>3,949,453</b>
<b>Tier 2 capital</b>	<b>1,037,078</b>
Valid portion of tier 2 capital instruments and related premiums	632,917
Surplus provision for impairment	402,917
Valid portion of minority interests	1,244
<b>Net capital base</b>	<b>4,986,531</b>
<b>Risk-weighted assets<sup>(2)</sup></b>	<b>25,710,855</b>
<b>Common equity tier 1 capital adequacy ratio (%)</b>	<b>14.10</b>
<b>Tier 1 capital adequacy ratio (%)</b>	<b>15.36</b>
<b>Capital adequacy ratio (%)</b>	<b>19.39</b>

Notes: (1) In accordance with relevant provisions of the Rules on Capital Management of Commercial Banks, no retrospective disclosure of previous data was made.

(2) Refers to risk-weighted assets after capital floor and adjustments.



## RISK-WEIGHTED ASSETS

Item	<i>In RMB millions</i>
	At 31 December 2024
<b>Credit risk-weighted assets</b>	<b>23,386,013</b>
Parts covered by internal ratings-based approach	14,909,022
Parts uncovered by internal ratings-based approach	8,476,991
Market risk-weighted assets	380,609
Risk-weighted assets for switch between trading book and banking book	103,748
Operational risk-weighted assets	1,840,485
<b>Total</b>	<b><u>25,710,855</u></b>

## LEVERAGE RATIO

Item	<i>In RMB millions, except for percentages</i>			
	At 31 December 2024	At 30 September 2024	At 30 June 2024	At 31 March 2024
Net tier 1 capital	3,949,453	3,889,547	3,832,172	3,847,493
Balance of adjusted on- and off-balance sheet assets	50,964,819	50,447,695	49,146,136	50,111,419
Leverage ratio (%)	7.75	7.71	7.80	7.68

Please refer to the 2024 Pillar 3 Disclosure Report of Capital Management of Industrial and Commercial Bank of China Limited issued by the Bank for further information on capital measurement and leverage ratio.

### Capital Financing Management

On the basis of capital replenishment by retained profits, the Bank proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments, to reinforce capital strength, optimize capital structure and control the cost of capital rationally.

## ◆ Issuance and Redemption of Capital Instruments

In April 2024, the Bank received the approval from the NFRA, to issue capital instruments of RMB370.0 billion or foreign currency equivalent, including undated additional tier 1 capital bonds of RMB130.0 billion or foreign currency equivalent and tier 2 capital bonds of RMB240.0 billion or foreign currency equivalent.

In July 2024, the Bank publicly issued undated additional tier 1 capital bonds of RMB50.0 billion in the National Interbank Bond Market. The raised funds are used to replenish the Bank's additional tier 1 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

In August and October 2024 and March 2025, the Bank publicly issued three series of tier 2 capital bonds of RMB50.0 billion, RMB40.0 billion and RMB50.0 billion respectively in National Interbank Bond Market. All the raised funds are used to replenish the Bank's tier 2 capital in accordance with applicable laws and the approval of relevant regulatory authorities.

In March and April 2024, the Bank redeemed two tranches of tier 2 capital bonds, each with a size of RMB45.0 billion (issued in March and April 2019) in full at face value.

In July 2024, the Bank redeemed the undated additional tier 1 capital bonds of RMB80.0 billion (issued in 2019) in full at face value.

In September 2024, the Bank reset the nominal dividend rate of “工行優 2” as it lasted five years from the issuance date, and the coupon dividend rate after reset became 3.02% from 24 September 2024. Dividends will be paid annually.

## ◆ Issuance of TLAC Non-capital Debt Instruments

In April 2024, the Bank received a reply from the NFRA, approving the Bank to issue TLAC non-capital debt instruments of no more than RMB60.0 billion or equivalent in foreign currency.

In May 2024, the Bank publicly issued TLAC non-capital bonds of RMB40.0 billion in the National Interbank Bond Market; in December 2024, the Bank publicly issued TLAC non-capital green bonds of RMB10.0 billion in the National Interbank Bond Market. After deducting the issuance expenses, the funds raised from the bond issuance will be used to enhance the Bank's TLAC in accordance with applicable laws and the approval of relevant regulatory authorities.

Please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

## 4.4 Outlook

Our world today is living through accelerating changes unseen in a century, with global situations becoming increasingly complex. China is at a critical juncture in building itself into a great modern socialist country and advancing the great rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization. The economy continues to rebound and improve, new quality productive forces are rapidly developing, significant breakthroughs have been made in sci-tech innovation, reform and opening up are deepening, and risks in key areas are being effectively mitigated, which provide a favorable environment for the banking sector to serve Chinese modernization and promote its own steady development.

The year 2025 marks the end of the 14<sup>th</sup> Five-Year Plan and the start of the 15<sup>th</sup> Five-Year Plan. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will remain committed to the functional mission of a major state-owned financial institution and anchor itself in the goal of becoming a world-class bank. ICBC will persistently work toward a “Strong, Excellent, Large and Specialized” bank, push forward transformation in quality, efficiency and momentum, and focus on its major and specialized businesses. The Bank will further enhance value creation, market competitiveness, international influence, and risk prevention and control capabilities, so as to accelerate the development of a world-class modern financial institution with Chinese characteristics. **Giving full play to the role of a leading bank**, the Bank will uphold its positioning as the main force in serving the real economy, the ballast stone in maintaining financial stability, a bellwether in building a strong financial institution, and a benchmark bank in implementing major responsibilities and core businesses. It will take the lead in practicing the political and people-oriented values of the financial work, integrating the financial functionality and profitability, and enhancing the service diversity, inclusiveness, and accessibility in all dimensions to drive the smooth circulation of finance, industry, science, technology and other elements on a broader scale. **Making every effort to forge a clean ICBC**, the Bank will adhere to the guidance of the Party building theory and ensure Party leadership in all aspects. The Bank will comprehensively strengthen Party building, conduct full and rigorous Party self-governance, and resolutely fight corruption. The Bank will cultivate a financial culture with Chinese characteristics, leverage Party building as the guiding and safeguarding force for high-quality development and transformation, and create a favorable environment for innovation and entrepreneurship. **Accelerating the construction of a modern bank**, the Bank will strive to promote the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation, better serve the real economy, keep the bottom line of safety, optimize the financial supply, enhance development quality and efficiency, expand the social value. The Bank will achieve effective quality improvement, reasonable quantity growth, accurate risk prevention and control, and strict regulatory compliance, so as to continuously advance high-quality development and high-level security.

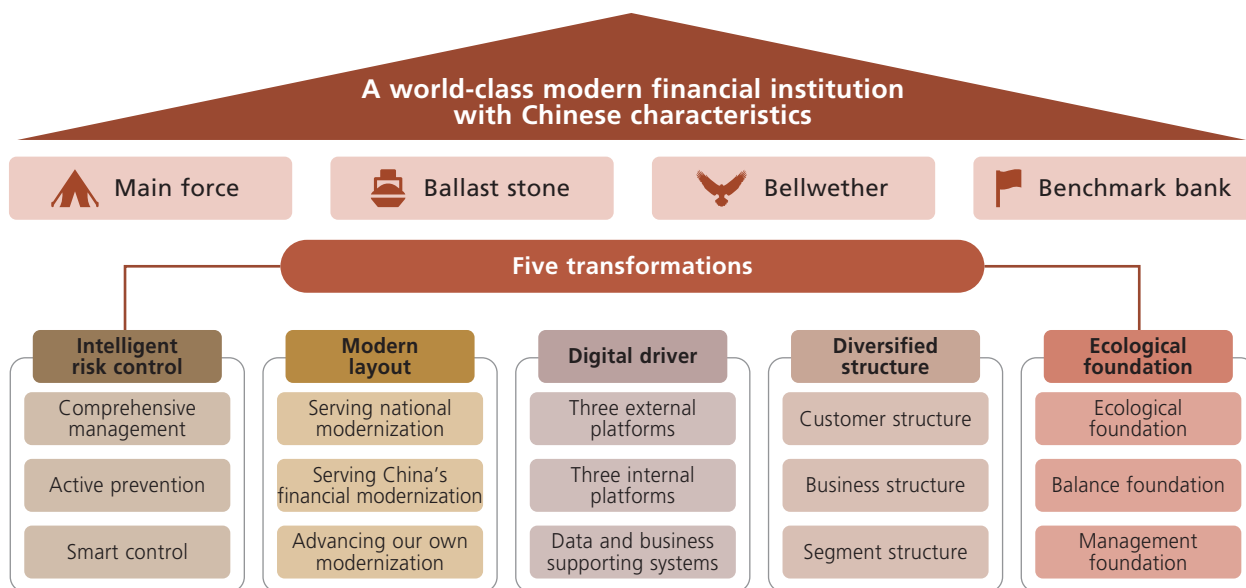
The Bank will firmly uphold the functional mission of a major state-owned bank and resolutely follow the path of financial development with Chinese characteristics. With a leadership stance, the Bank will embark on a new journey of rebalancing and tackling key challenges, taking the lead in exploring and establishing best practices for the construction of a modern bank. The Bank will continuously enhance the adaptability, competitiveness, and inclusiveness of financial services, so as to make greater contributions to building China into a financially robust country and advancing Chinese modernization.

## 4.5 Hot Topics in the Capital Market

### Hot Topic 1: ICBC Embarks on a New Journey and Advances “Five Transformations” after Its 40<sup>th</sup> Anniversary

In 2024, the Bank hit the road again after its 40<sup>th</sup> anniversary. In line with the new situation of the times and the new demands of the market and customers, the Bank has devoted itself to building a world-class modern financial institution with Chinese characteristics. As the main force, ballast stone, bellwether and benchmark bank in the industry, the Bank took solid steps to promote the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation, in an effort to open up new prospects for high-quality development and high-level security.

**Figure: Key Points of High-quality Development and Transformation of ICBC**



**Promoting intelligent risk control and enhancing the ability to respond to risk challenges.** The Bank gave top priority to risk prevention and control, and continued to improve the effectiveness of risk governance following the approach of “active prevention, smart control and comprehensive management”. The Bank constantly reinforced the “active prevention”. All departments of the “first line of defense” in the Head Office have established an internal risk control division to fully implement the new credit approval regulations, strengthen internal control and audit supervision, and continuously enhance the bonding force of the three lines of defense. “Smart control” development was expedited. The Bank accelerated the construction of an enterprise-level intelligent risk control platform (“4E” platform), and set up Enterprise-level risk View service Center (EVC), Enterprise-level risk Measurement service Center (EMC), Enterprise-level risk Monitoring and Alerting service Center (EAC), and Enterprise-level risk Strategy-making service Center (ESC), to promote early perception, accurate identification, timely warning, and efficient handling of various risks. “Comprehensive management” became more systematic. The Head Office, domestic branches, and integrated subsidiaries integrated and established their risk management and internal control committees. Domestic tier-one and tier-two branches and integrated subsidiaries were fully staffed with risk officers to improve risk control system and mechanism, and strengthen overall and coordinated management.

**Building a modern layout to better serve and promote high-quality development.** To address the country’s needs and give full play to finance, the Bank efficiently promoted the alignment of financial resources, business layout and development models with modernization. The Bank stepped up efforts to serve the country’s modernization more effectively. It continued to strengthen its support for the “Major Strategies, Key Fields and Weak Links”, and served new quality productive forces in light of local conditions. In 2024, the Bank ranked first among comparable peers in terms of newly increased loans and bond investment balance, and maintained the leading position in the market for its loans to key fields such as manufacturing and strategic emerging industries. Remarkable progress has been made in the modernization of service finance. The Bank established and improved the “Five Priorities” work mechanism for services, and refined the “Five Priorities”. It ranked first among peers in terms of green loans, and remained at the forefront of comparable peers in terms of the increase and the growth rate of inclusive loans. Its loans to SRDI enterprises increased by more than 54% compared to the beginning of the year. The Bank quickened the pace of modernization, and released the first financial infrastructure service plan in the banking industry. The number of countries (regions) where ICBC Global Pay service is available has been increased to 28, continuously deepening the strategic layout of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation”.

**Cultivating digital driver and accelerating the development of new quality productive forces for ICBC.** Relying on its advantages of FinTech, the Bank expedited the construction of “D-ICBC”, injecting strong momentum into customer service, product management, and the Group’s business development. The Bank reinforced three major external platforms. The number of mobile banking customers increased to 588 million, ranking first among comparable peers in terms of scale and activity. The transaction volume of open banking exceeded RMB375 trillion. The Bank remained at the top of comparable peers in terms of the total number and growth of monthly active customers of ICBC e-Life. The Bank refined three major internal platforms. “Counter Express” was utilized to reconstruct the business scenario-based process of 30 types of business with pain points and difficulties for outlets, saving the processing time for corporate account opening by nearly 60%. “Marketing Express” was used to establish and integrate marketing management mechanism featuring systematic account management, refined maintenance and quantifiable output. The “smart office platform” had more than 300 thousand daily active users, further improving the office efficiency of employees. The technical support capabilities have been continuously enhanced. The Bank successfully launched the ECOS 2.0 digital technology ecosystem and established the “ICBC Zhiyong”, a financial large model technology system with hundreds of billions of parameters. Its core elements such as computing power, algorithms, and data maintained a leading position in the industry and won the first prize of FinTech development granted by the PBC.

**Improving diversified structure and continuously creating new room for growth.** The Bank actively responded to changes such as declining interest rates and narrowing net interest margins, and built a new development pattern featuring multi-point support and highly efficient coordination by structural improvement. The Bank improved customer structure and accelerated the building of a customer structure composed of “large, medium, small and micro enterprises and personal customers” in balanced proportions. The proportion of micro customers increased from 76.8% at the beginning of 2024 to 78.6% at the end of the same year. The Bank expanded business structure, optimized asset layout, and continuously increased the proportion of growth of “retail + inclusive” loans. While stabilizing interest income, the Bank also expanded and optimized non-interest income such as commissions and trading fees, narrowing the decrease of NIM by 12BP compared to the previous year. The Bank reinforced the segment structure, coordinated the “four major business segments” of the Head Office, domestic branches, overseas institutions, and integrated subsidiaries, and continuously improved the internationalized and diversified operation management system.



**Consolidating ecological foundation and further enhancing the resilience of business development.** The Bank focused on solidifying the foundation, improved operation quality and internal management, and enhanced high-quality development. The Bank consolidated the ecological foundation, closely followed changes in customer needs, and reinforced the customer chain along the capital chain. It optimized the service chain and the value chain, deepened the GBC+ basic projects, and developed a complete set of solutions for various scenarios. In 2024, the Bank saw an increase of 49 thousand G-end customers and 326 thousand B-end customers, and reached 170 million C-end customers. The Bank balanced the foundation in a coordinated manner. Focusing on creating a clean and healthy balance sheet and a balanced and sustainable income statement, the Bank improved the initiative, scientific approach, and foresight of asset and liability management, and demonstrated a “Strong, Excellent and Large” coordinated characteristic of assets, capital, funds, deposits, loans, and income. Value creation, market position, risk prevention and control, and capital constraints were well balanced, and key business indicators became more prudent. Focusing on the management foundation, the Bank optimized management functions for personal loans, consumer protection, and risk asset operation, and continuously improved the management foundation such as corporate governance, strategic management, talent team and system building.

**In the next stage,** the Bank will adhere to the principle of pursuing progress while ensuring stability, promoting stability through progress, adhering to integrity and innovation, and establishing the new before abolishing the old. Through system integration and collaboration, the Bank will embark on a new journey as a leading bank, to promote rebalancing and overcome difficulties. It will steadily advance the “five transformations”, and make new and greater contributions to Chinese modernization and the construction of a financial robust country.

## Hot Topic 2: Creating a New Balance between Financial Revenue and Expenditure

In 2024, the Bank endeavored to adapt to the internal and external environment of low interest rates, financial market fluctuations, and increasing risk management and control challenges. The Bank adhered to the guidance of the Party building theory, deepened the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation, and continuously improved the quality and efficiency of business development. We did well in trading off revenue and expenditure, and built a new balance. The Group achieved a net profit of RMB366.9 billion, a year-on-year increase of 0.5%, and continued to generate long-term and stable value returns for shareholders.

### I. Increasing Income through Diversifying Income Sources

**Actively adapting to changes in interest rates to stabilize interest income.** In recent years, due to low interest rates, commercial banks generally saw a decline in returns on assets, a relatively rigid debt-to-cost ratio, a continuous narrowing of net interest margin, and pressure on net interest income. In 2024, the Bank further improved its net interest income management mechanism, and strove for stable net interest margin and interest margin income through refined management and structural adjustment, with a focus on assets and liabilities. **On the loan side**, the Bank effectively served the real economy, endeavored to consolidate credit reserves, adhered to risk pricing, and continuously strengthened differentiated tiered pricing. **On the deposit side**, the Bank leveraged the advantages of comprehensive financial services to build a customer ecosystem where “large, medium, small and micro enterprises and personal customers” are well coordinated, and actively responded to interest rate self-discipline initiatives to solidify the foundation for sustained and steady growth of deposits. **On the investment side**, the Bank increased investment in line with the market issuance rhythm, optimized the allocation of bond types, balanced investment scale, interest rates, and term structure, and maintained a reasonable return on investment portfolio.

**Taking multiple measures to expand non-interest income sources.** **First**, promoting the new development of net fee and commission income in a diversified way. The Bank stabilized the foundation of payment and settlement income, and focused on tapping customer potential and promoting product penetration. Net fee and commission income from credit card business, the number of newly opened corporate settlement accounts and RMB corporate settlement income increased by 1.8%, 6% and 3.2% year on year, respectively, maintaining a leading position among peers. The Bank actively improved new experience in wealth management. Its net fee and commission income from precious metal business increased by 33% year on year, third-party depository income achieved a positive growth, and sales of agency funds rose by 56% year on year. The Bank increasingly promoted the achievement of new progress in project services, and maintained a leading position in the industry in terms of the underwriting amount of ESG bonds and technological innovation bonds, as well as the income from syndicate arrangement for underwriting and management, and investment banking consultation. The Group’s net

fee and commission income for the whole year reached RMB109.4 billion, continuing to remain at the forefront among peers. **Second**, cultivating other new growth drivers of non-interest income. The Bank strengthened market analysis, and seized opportunities of volatility to generate price difference returns. During the period of volatility and decline of yields, the Bank accurately grasped the relative high and low points for trading, achieving a year-on-year increase of 115% in RMB bond trading income. The Bank introduced a prudent, scientific and diversified trading strategy. It achieved a year-on-year growth of RMB874 million in exchange gains by conducting in-depth market-to-market analysis, and actively seizing opportunities in the foreign exchange market.

## **II. Accurately Stabilizing Expenditure by Targeted Management and Control**

**Properly managing asset quality to enhance profit contribution.** **First**, improving credit structure to make asset quality management more effective. The Bank accurately grasped the lending in key areas, enhanced asset layout capabilities, and focused on full-caliber and full-cycle credit risk management. It continuously strengthened the construction of risk control system, and improved the overdue and non-performing loan collection system. **Second**, improving the management mechanism and enhancing the quality and efficiency of disposal. The Bank established a direct operation and management mechanism to promote the intensive and specialized operation of major risk assets, tapped the potential of independent collection and disposal, and gave play to the guiding role of resource allocation and operation. The Bank performed well in clearing up and recovering the assets written off but retained in records, and maintained a leading position among peers in terms of the ratio of write-off resources to disposal leverage. **Third**, promoting intelligent risk control and enhancing the ability to accurately manage risks. The Bank continued to promote the building of an enterprise-level intelligent risk control platform, and leveraged the practical application capabilities of early warning systems to control various risks in a forward-looking manner. The Bank improved the intelligent credit risk control system, accurately assisted in preventing overdue payments, controlling deterioration and strengthening disposal of non-performing loans, and effectively reduced the occupation of financial resources.

**Controlling financial expenses and optimizing resource input.** Following the principles of practicing austerity, determining expenditure based on revenue and living within our means, the Bank balanced income and expenditure, endeavored to tap potential and improve efficiency, so as to enhance cost effectiveness. In 2024, the Group's cost-to-income ratio continued to maintain a relatively superior level compared to its peers. The Bank adhered to classified policy implementation and refined management, and strictly controlled daily operation expenses. The Group's administrative expenses such as travel expenses, conference expenses, and vehicle and vessel usage fees decreased by approximately 8.3% year on year. The Bank refined business development expenses, emphasized the principle of "revenue-based expenditure", and promoted the formation of a virtuous cycle between resource input and value creation. The proportion of revenue leveraged by unit marketing expenses rose by 2.8% year on year, further improving cost effectiveness.

### **III. Increasing Revenue and Reducing Expenses to Continuously Create a Balanced, Coordinated and Sustainable Income Statement**

The current low interest rate environment is expected to remain for a long period of time in the future. While directly generating the pressure of income reduction on commercial banks, it also created favorable conditions for reducing the debt burden of enterprises and residents, stimulating business vitality, boosting consumption, and promoting the stable and positive trend of asset quality of commercial banks. The Bank actively integrated into the new ecosystem of low interest rates, actively cultivated new driving forces, and reasonably coordinated interest income and non-interest income, income and risk, and input and output, in an effort to build a new balance between financial revenue and expenditure. The Bank stabilized operating income to form a more diversified and stable income structure. It steadily cut new credit costs by seeking benefits from risk assets, and ensured efficient utilization of financial resources. It emphasized both expanding income sources and controlling expenses, and tapping potential and increasing efficiency, so as to create a more coordinated and sustainable new balance between financial revenue and expenditure.

### **Hot Topic 3: Providing High-level Services for New Quality Productive Forces**

The Bank focused on the development of strategic emerging industries, the cultivation of future industries, and the transformation and upgrading of traditional industries, developed exclusive products and provided diversified relay-style financial services. It promoted the high-quality development of new quality productive forces with technology finance.

**Highlighting professionalism in terms of serving sci-tech innovation. Continuously iterating the “five specialized” system for technology finance.** At the beginning of 2024, the Bank took the lead among peers to establish a Head Office-level technology finance center, and set up the four-tier technology finance institutions consisting of the Head Office, branches, sub-branches and outlets. It carried out special technology finance actions such as “Chunmiao Action” and “Qiushi Action”, and created a full-lifecycle exclusive technology finance product system of “equity, loan, debt and insurance”. The special risk control system for technology finance was refined, and the exclusive support measures for technology finance were intensified. A package of financial service solutions were launched under the “ICBC Sci-Tech Innovation Finance” service brand. **Continuously enriching the portfolio of technology finance products.** Tailoring products to customer needs, the Bank accelerated the construction of a comprehensive financial service system, and served all customers with full-spectrum products. The Bank actively underwrote technological innovation bills. As of the end of 2024, RMB60.1 billion worth of technological innovation bills had been underwritten, maintaining a leading position among its peers. The Bank increased credits for key customer groups, such as strategic emerging industries and SRDI enterprises. As of the end of 2024, the balance of loans to strategic emerging industries was the first to exceed RMB3.1 trillion, and the balance of loans to technology enterprises amounted to nearly RMB2 trillion, both ranking first among its peers. Relying on policy tools for technological innovation relending, a large number of branches took the lead among their peers to grant technological innovation relending, and ranked first in the industry in terms of the cumulative amount. The Bank accelerated innovations and breakthroughs in equity financing services, and launched three commerce-investment linkage products, such as sci-tech equity loans, basic and emerging industry loans and infrastructure investment loans, based on the credit of external investment institutions and enterprises’ own valuation. The Bank actively participated in the pilot equity investment project of financial asset investment companies (AIC). It has established pilot equity investment funds in cities such as Shanghai, Beijing, Suzhou, Hangzhou, Changsha, Guangzhou, Xiamen, Tianjin, and Chongqing, and launched the first batch of projects. 18 pilot cities across the country have all shown cooperation intentions, with a proposed fund scale of over RMB100 billion.

**Highlighting comprehensiveness in serving the modern industry system. In terms of the upgrading of traditional industries,** the Bank, as the exclusive financial institution, initiated the Special Plan for Supporting the Development of Advanced Manufacturing Cluster through Financing in conjunction with the Ministry of Industry and Information Technology, and successively signed strategic cooperation agreements with a large number of leading enterprises in the industrial chain and promotion organizations of the key advanced manufacturing cluster in Changchun, Qingdao, Weifang, Chengdu, Deyang, Zhuzhou and other places. The Bank innovatively developed an exclusive data model for investigation into the fund chain of advanced manufacturing cluster and customer services. It innovated the cluster loan approval model on a trial basis, and actively promoted batch access and active credit services for cluster enterprises. The Bank carried out a special action plan on financial services for the manufacturing industry, so as to accelerate the construction of new industrialization and help improve the resilience and security level of the industry chain and the supply chain. **In terms of cultivating emerging industries,** the Bank gave full play to its financial leverage role to cultivate and expand emerging industries, and laid out and developed future industries. It kept strengthening the financial supply for three new emerging industries including electric vehicles, lithium batteries, and photovoltaics.

**Highlighting leadership in serving green development. The Bank is a firm practitioner of green finance.** In 2007, it adopted green finance as its development strategy and established a comprehensive green finance service framework covering full-spectrum products and multiple channels. At the end of 2024, the balance of its green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion, making it the world's largest green credit bank. **The Bank is also a staunch advocate of green finance.** As a founding signatory of the Principles for Responsible Banking of the United Nations, the Bank attached great importance to the establishment of green finance system and mechanism, and continuously contributed ICBC's wisdom to innovation in green products, formulation of green standards and building of ESG management system.

#### **Hot Topic 4: Providing High-quality Services for Coordinated Regional Development**

In 2024, the Bank resolutely implemented the national strategy of promoting regional coordination, actively integrated into the overall layout of regional economic development, and energetically promoted the “Five Priorities” of finance. It facilitated the joint planning, arrangement and implementation of its own transformation and high-quality development, and actively played the roles of “main force” and “ballast stone”.



**Establishing a systematic service pattern focusing on coordination and collaboration.**

Adhering to high-level coordination, the Bank established a leading group for serving coordinated regional development and construction of international financial centers. Bank leaders contacted various regions according to their respective responsibilities, conducted special research on key and difficult issues across business lines, regions and institutions, and helped form a strategic synergy to efficiently serve regional development in an integrated way. The Bank deepened mechanism building, and strengthened regular communication and consultation, information sharing, and business linkage among institutions within regions. The Head Office improved supporting policies such as credit authorization, assessment and profit distribution, monitoring and evaluation, and personnel exchange, further enhancing the adaptability, competitiveness and inclusiveness of coordinated regional development of financial services. Driven by diversified financial needs of customers, the Bank highlighted market orientation and identified key customer groups it serves, key scenarios in the ecosystem, and collaborative tasks in different regions. It promoted implementation based on projects and lists in a systematic manner, and aligned regions with customers and products.

**Focusing on regional positioning to enhance the efficiency of serving the real economy.**

Based on different functional positioning of regions, the Bank supported the utilization of comparative advantages to better assist in building a unified national market. The Bank deepened collaborative services in the Beijing-Tianjin-Hebei region, established a reserve of key projects in the region, and approved nearly two thousand collaborative development projects with a total amount exceeding RMB2.25 trillion. It established the Xiongan Relocation and Reception Office and developed a customer-specific comprehensive financial service plan for relocating key customers. At the end of 2024, the balance of the Bank's RMB loans in the Beijing-Tianjin-Hebei region reached RMB4.8 trillion, a year-on-year increase of 9.43%, maintaining a leading position among peers in terms of the balance and growth. The Bank promoted the construction of a modern industrial system in the Yangtze River Delta, actively participated in the AIC equity investment pilot program in multiple cities, and took the lead in launching multiple pilot projects in multiple places. It improved the full-lifecycle financial services for technological innovation enterprises, and supported the cultivation of new quality productive forces according to local conditions. At the end of 2024, the balance of the Bank's manufacturing loans in the Yangtze River Delta stood at RMB1.47 trillion, a year-on-year increase of 11.5%. The balance of loans to strategic emerging industries amounted to RMB920 billion, a year-on-year increase of 17.6%, further consolidating the Bank's leading advantage in the market. The Bank strengthened cross-border integrated services in the Guangdong-Hong Kong-Macao Greater Bay Area, enhanced the collaborative promotion of "Cross-boundary Wealth Management Connect", and upgraded the "ICBC Hengqin-Macao Connect 2.0" product system to meet the diversified financial needs of enterprises and residents in Hengqin and Macao SAR. The Bank successfully launched the first batch of multi-functional free trade account (EF) systems in Hainan and Guangdong, and completed the construction of a cross-border comprehensive financial service platform.

**Focusing on high-level opening up and serving the construction of Shanghai and Hong Kong international financial centers.** The Bank provided coordinated services for the construction of strong international financial centers and built itself into a strong financial institution. It formulated “20 Measures” respectively to support Shanghai and Hong Kong SAR, established committees to serve the construction of Shanghai and Hong Kong international financial centers, helping enhance the competitiveness and influence of Shanghai as an international financial center, and consolidating and improving the position of Hong Kong SAR as an international financial center. In Shanghai, the Bank released the first financial infrastructure construction service plan for the banking industry, and took the lead among peers to establish a free trade account headquarters in the city. The Bank’s cross-border RMB loans, cross-border custody scale and offshore RMB trading volume in Shanghai increased by 42%, 41% and 53%, respectively, in 2024. In Hong Kong SAR, the Bank promoted two-way connectivity in the financial market, provided high-quality services for “Going Global” and “Bringing in”, and helped consolidate the position of Hong Kong SAR as an offshore RMB center. The Bank’s RMB clearing volume and offshore RMB-foreign exchange trading volume in Hong Kong SAR increased by 91% and 67%, respectively.

### **Hot Topic 5: Solidly Promoting Intelligent Risk Control**

In 2024, facing the complex and ever-changing risk situation, the Bank firmly established a national security concept, reinforced the mind of being prepared to deal with the worst-case scenarios and the extreme-case scenarios, and adhered to the principles of early identification, warning, exposure, and resolution. It implemented the transformation strategy of “intelligent risk control”, and continuously improved the four-pronged risk management approach to people, money, defense line and bottom line. The Bank enhanced the development of approach featuring “active prevention, smart control and comprehensive management”, and helped give full play to the role of the Group as a leading bank through high-quality risk control.

**Promoting platform and system construction to enhance intelligent risk control capabilities.** An enterprise-level intelligent risk control platform (“4E” platform) was built. Based on internal and external financial and non-financial data, the Bank formed Enterprise-level risk View service Center (EVC), Enterprise-level risk Measurement service Center (EMC), Enterprise-level risk Monitoring and Alerting service Center (EAC), and Enterprise-level risk Strategy-making service Center (ESC) with the integration of machine learning, knowledge graphs, large models and other technologies. The platform has functions such as risk examination, model management, risk screening, cross-market and cross-risk contagion identification, public opinion monitoring, bottom line risk interception, and risk officer work section, providing digital tools for enterprise risk management. The Bank advanced the digital construction of credit risk management, upgraded the global credit and agency investment management system through product modularization and other means, and consolidated the digital capability base, unleashing the functions of digital and intelligent services. Relying on systems such as ICBC e Prevention and investment and financing operation management platform, the Bank built an ecological operation model driven by “management + service” in credit management, and formed a closed-loop system of “perception – warning – decision – execution”. It achieved the organic unity of risk control and management and investment and financing asset operation in the front, middle and back offices, and boosted the business development through intelligent and ecological credit risk management.

**Deepening the application of systems and tools and improving intelligent risk control.** The Bank **applied the “4E” platform** in the Head Office and branches **on a trial basis**, established a “bottom line rule” library, and aligned with four major scenarios, such as fund transactions, product access, channel touchpoints, and customer marketing. The platform provides the capabilities of flexible control, rapid deployment, millisecond-level real time calculation and automatic decision-making in terms of risk features, rules and strategies, dynamically reveals and prompts potential risks, and intelligently intercepts high-risk businesses. **Data empowerment was enhanced.** The Bank strengthened the application of ICBC e Prevention, and developed a zero-code data application platform and digital operation view with the focus on customers. It realized the new paradigm of data analysis with complete natural language interaction that “dialogue is analysis”, lowered the threshold of data application for users, and improved the friendliness and usability of the system interface, as well as the user experience. **Intelligent management and control were improved.** Based on the “five-in-one” perspective of total quantity, increment, quality, structure, and benefits, the Bank integrated and extracted business data to enhance the functionality of the investment and financing operation management system covering the dimensions of institutions, regions, industries, products, business lines, key areas, large customers, disposal, portfolio and performance, and provided differentiated decision-making suggestions for different users. **Intelligent services were enhanced.** The Bank introduced digital employee functions, assisting users to improve the quality and efficiency of risk identification, system Q&A, and other services. It broadened and deepened the service touchpoints supported by the system, thereby fully exerting the functions of digital and intelligent services.

## **5. Details of Changes in Share Capital and Shareholding of Substantial Shareholders**

### **5.1 Details of Securities Issuance and Listing**

During the reporting period, the Bank did not issue any shares, did not have any employee shares, nor did it issue any convertible bonds.

The Bank did not issue corporate bonds to be disclosed in accordance with Chapter II, Section 9 of the “No. 2 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings – Content and Format of the Annual Report (Revision 2021)” of the CSRC, nor did it have the above-mentioned corporate bonds existed on the approval date of this Report.

### **5.2 Number of Shareholders and Particulars of Shareholding**

As at the end of the reporting period, the Bank had a total number of 644,591 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 104,939 holders of H shares and 539,652 holders of A shares. As at the end of the month immediately before the annual results announcement date (28 February 2025), the Bank had a total number of 675,621 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease of shares during the reporting period	Number of shares held at the end of reporting period	Shareholding percentage (%)	<i>Unit: Share</i>
						Number of pledged/ locked-up/ marked shares
Central Huijin Investment Ltd.	State-owned	A Share	–	124,004,660,940	34.79	None
MOF	State-owned	A Share	–	110,984,806,678	31.14	None
HKSCC Nominees Limited <sup>(5)</sup>	Foreign legal person	H Share	23,182,647	86,167,303,253	24.18	Unknown
National Council for Social Security Fund <sup>(6)</sup>	State-owned	A Share	–	12,331,645,186	3.46	None
Hong Kong Securities Clearing Company Limited <sup>(7)</sup>	Foreign legal person	A Share	276,376,633	2,530,219,888	0.71	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	–	2,416,131,540	0.68	None
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A Share	–	1,013,921,700	0.28	None
ICBC – SSE 50 Exchange Traded Securities Investment Funds <sup>(8)</sup>	Other entities	A Share	231,275,678	658,534,873	0.18	None
Industrial and Commercial Bank of China – Huatai-PB CSI 300 ETF <sup>(9)</sup>	Other entities	A Share	343,279,504	605,054,561	0.17	None
China Construction Bank Corporation – E Fund HS 300 ETF <sup>(10)</sup>	Other entities	A Share	319,385,700	417,409,625	0.12	None

*Notes:* (1) The above data are based on the Bank's register of shareholders as at 31 December 2024.

(2) The Bank had no shares subject to restrictions on sales.

(3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Save as disclosed above, as at 31 December 2024, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned shareholders.

(4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.

(5) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total number of H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 December 2024, which included H shares of the Bank held by Ping An Asset Management Co., Ltd. and the National Council for Social Security Fund.

- (6) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), the MOF transferred 12,331,645,186 A shares to the state-owned capital transfer account of the National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), the National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. At the end of the reporting period, according to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,578,689,053 H shares of the Bank and 18,910,334,239 A and H shares in aggregate, accounting for 5.31% of the Bank's total ordinary shares.
- (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 31 December 2024.
- (8) "ICBC – SSE 50 Exchange Traded Securities Investment Funds" are securities investment funds raised as approved by the CSRC Zheng Jian Ji Jin Zi [2004] No. 196 Document dated 22 November 2004, with China Asset Management Co., Ltd. as the fund manager and ICBC as the fund custodian.
- (9) The "Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 ETF" is a securities investment fund approved by the CSRC in the CSRC Document [2012] No. 392 dated 23 March 2012. Huatai-PineBridge Fund Management Co., Ltd. acts as the fund manager and ICBC acts as the fund custodian.
- (10) The "China Construction Bank Corporation – E Fund HS 300 ETF" is a securities investment fund approved by the CSRC in the CSRC Document [2012] No. 1762. E Fund Management Co., Ltd. acts as the fund manager and China Construction Bank acts as the fund custodian.

### **5.3 Changes of Controlling Shareholders and the De Facto Controller**

During the reporting period, the Bank's controlling shareholders and de facto controller remained unchanged.

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

#### **Substantial Shareholders and Persons Having Notifiable Interests or Short Positions Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong**

As at 31 December 2024, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:



## HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares <sup>(2)</sup> (%)	Percentage of total ordinary shares <sup>(2)</sup> (%)
Central Huijin Investment Ltd. <sup>(1)</sup>	Beneficial owner	123,717,852,951	Long position	45.89	34.71
	Interest of controlled corporations	1,013,921,700	Long position	0.38	0.28
	Total	124,731,774,651		46.26	35.00
MOF	Beneficial owner	110,984,806,678	Long position	41.16	31.14

*Notes:* (1) According to the register of shareholders of the Bank, as at 31 December 2024, Central Huijin Investment Ltd. held 124,004,660,940 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

(2) Due to rounding, percentages presented herein are for reference only.

## HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares <sup>(3)</sup> (%)	Percentage of total ordinary shares <sup>(3)</sup> (%)
Ping An Asset Management Co., Ltd. <sup>(1)</sup>	Investment manager	14,858,545,000	Long position	17.12	4.17
National Council for Social Security Fund <sup>(2)</sup>	Beneficial owner	6,938,013,180	Long position	7.99	1.95

*Notes:* (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 31 December 2024 (the date of relevant event being 31 December 2024). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

(2) According to the information provided by the National Council for Social Security Fund to the Bank, the National Council for Social Security Fund held 6,578,689,053 H shares of the Bank as at the end of the reporting period, accounting for 7.58% of the Bank's H shares and 1.85% of the Bank's total ordinary shares.

(3) Due to rounding, percentages presented herein are for reference only.

## 5.5 Preference Shares

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

The Bank did not issue any preference shares in the past three years.

#### Reset dividend rate of “工行優 2”

Pursuant to relevant provisions of the Prospectus on the Non-Public Offering of Preference Shares of Industrial and Commercial Bank of China Limited, domestic preference shares non-publicly offered by the Bank in September 2019 (abbreviation “工行優 2” and code: “360036”) were priced at a coupon dividend rate adjusted in stages, with the coupon dividend rate being the benchmark interest rate plus a fixed spread. The coupon dividend rate for the first five years remained unchanged from the date of issuance, and subsequently the benchmark interest rate will be reset every five years, and the nominal dividend rate during each reset period will remain unchanged. In September 2024, the Bank reset the nominal dividend rate of “工行優 2” as it lasted five years from the issuance date, and the coupon dividend rate after reset became 3.02% from 24 September 2024.

For details on the reset dividend rate of domestic preference shares of the Bank, please refer to the announcements published by the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

## Number of Preference Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 30 domestic preference shareholders of “工行優 1” and 38 domestic preference shareholders of “工行優 2”. As at the end of the month immediately before the annual results announcement date (28 February 2025), the Bank had one offshore preference shareholder (or proxy), 30 domestic preference shareholders of “工行優 1” and 37 domestic preference shareholders of “工行優 2”.

### PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	<i>Unit: Share</i>	
						Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	-	145,000,000	100	-	Unknown

*Notes:* (1) The above data are based on the Bank’s register of offshore preference shareholders as at 31 December 2024.

(2) As the issuance of the offshore preference shares above was non-public offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.

(3) The Bank is not aware of any connected relations or acting-in-concert relations between the aforementioned preference shareholder and top 10 ordinary shareholders.

(4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 1”

*Unit: Share*

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	200,000,000	44.4	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	11.1	–	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	35,000,000	7.8	–	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	30,000,000	6.7	–	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-1,800,000	13,200,000	2.9	–	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	-1,970,000	13,030,000	2.9	–	None
Shanghai Haitong Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	12,200,000	12,200,000	2.7	–	None
Sun Life Everbright Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	–	11,715,000	2.6	–	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-2,880,000	10,230,000	2.3	–	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	–	10,000,000	2.2	–	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	–	10,000,000	2.2	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	10,000,000	2.2	–	None

*Notes:* (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優 1” as at 31 December 2024.

- (2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優 1”.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優 2”

*Unit: Share*

Name of shareholder	Nature of shareholder	Class of shares	Increase/decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	–	120,000,000	17.1	–	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	–	100,000,000	14.3	–	None
Bohai International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	82,251,000	82,251,000	11.8	–	None
China Credit Trust Co., Ltd.	State-owned legal person	Domestic preference shares	69,749,000	69,749,000	10.0	–	None
Everbright Securities Asset Management Co., Ltd.	State-owned legal person	Domestic preference shares	35,335,000	66,035,000	9.4	–	None
China National Tobacco Corporation	Other entities	Domestic preference shares	–	50,000,000	7.1	–	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-19,300,000	44,700,000	6.4	–	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	–	30,000,000	4.3	–	None
China Resources SZITIC Trust Co., Ltd.	State-owned legal person	Domestic preference shares	9,265,000	19,695,000	2.8	–	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	–	15,000,000	2.1	–	None

- Notes: (1) The above data are based on the Bank's register of domestic preference shareholders of “工行優 2” as at 31 December 2024.
- (2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Sun Life Everbright Asset Management Co., Ltd. and Everbright Securities Asset Management Co., Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned preference shareholders and among the aforementioned preference shareholders and top 10 ordinary shareholders.
- (3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優 2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優 2”.

## Dividend Distribution of Preference Shares

As per the resolution and authorization of the Shareholders' General Meeting, the Bank reviewed and approved the implementation of distribution of dividends for “工行優 2” and offshore USD preference shares at the meeting of its Board of Directors on 30 August 2024, permitting the Bank to distribute the dividends on domestic preference shares “工行優 2” on 24 September 2024 and on the offshore USD preference shares on 23 September 2024; the Bank reviewed and approved the implementation of distribution of dividends for “工行優 1” at the meeting of its Board of Directors on 30 October 2024, permitting the Bank to distribute the dividends on domestic preference shares “工行優 1” on 25 November 2024.

Dividends on the Bank's domestic preference shares “工行優 1” and “工行優 2” are paid annually in cash, and calculated based on the aggregate par value of the issued domestic preference shares. Dividends on the Bank's domestic preference shares are non-cumulative. Holders of domestic preference shares are only entitled to dividends at the prescribed dividend rate, but are not entitled to any distribution of residual profits of the Bank together with the holders of ordinary shares. According to the dividend distribution plan in the domestic preference share issuance proposal, the Bank distributed dividends of RMB2,061 million (pre-tax) on the domestic preference share “工行優 1” at a dividend rate of 4.58% (pre-tax); and distributed dividends of RMB2,940 million (pre-tax) on the domestic preference share “工行優 2” at a dividend rate of 4.2% (pre-tax).

Dividends on the Bank's offshore USD preference shares are paid annually in cash, and calculated based on the liquidation preference of the offshore preference shares. Dividends on the Bank's offshore USD preference shares are non-cumulative. Holders of offshore USD preference shares are only entitled to dividends at the prescribed dividend rate, but are not entitled to any distribution of residual profits of the Bank together with the holders of ordinary shares. According to the dividend distribution plan in the offshore USD preference share issuance proposal, total dividends of about USD115.36 million (pre-tax) on the offshore USD preference shares were distributed in USD at a dividend rate of 3.58% (after-tax). According to relevant laws, when the Bank distributes dividends for offshore USD preference shares, the enterprise income tax shall be withheld by the Bank at a rate of 10%. According to the requirements of the terms and conditions of the offshore USD preference shares, the Bank paid the relevant taxes, included in the dividends for offshore USD preference shares.



The table below shows the distribution of dividends on preference shares by the Bank in the past three years:

Type of preference shares	2024		2023		2022	
	Dividend rate	Dividend distributed <sup>(1)</sup>	Dividend rate	Dividend distributed <sup>(1)</sup>	Dividend rate	Dividend distributed <sup>(1)</sup>
Domestic preference share “工行優 1”	4.58%	RMB2,061 million	4.58%	RMB2,061 million	4.58%	RMB2,061 million
Domestic preference share “工行優 2”	4.20%	RMB2,940 million	4.20%	RMB2,940 million	4.20%	RMB2,940 million
Offshore USD preference share <sup>(2)</sup>	3.58%	About USD115.36 million	3.58%	About USD115.36 million	3.58%	About USD115.36 million

Notes: (1) Dividend distributed includes tax.

(2) Offshore USD preference share refers to USD2.9 billion preference shares issued offshore by the Bank at a dividend rate of 3.58% (after-tax) in 2020.

The above-mentioned preference share dividend distribution plans have been fulfilled. For particulars of the Bank’s distribution of dividends on preference shares, please refer to the announcements of the Bank on the website of the SSE, the “HKEXnews” website of the HKEX and the website of the Bank.

### **Redemption or Conversion of Preference Shares**

During the reporting period, the Bank did not redeem or convert any preference share.

### **Restoration of Voting Rights of Preference Shares**

During the reporting period, the Bank did not restore any voting right of preference share.

### **Accounting Policy Adopted for Preference Shares and Rationale**

According to the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments promulgated by the MOF as well as the International Financial Reporting Standard 9 – Financial Instruments and the International Accounting Standard 32 – Financial Instruments: Presentation promulgated by International Accounting Standards Board and other accounting standards and the key terms of issuance of the Bank’s preference shares, the issued and existing preference shares do not contain contractual obligations to deliver cash or other financial assets or contractual obligations to deliver variable equity instruments for settlement, and shall be accounted for as other equity instruments.

## 6. Other Information

### Corporate Governance Code

During the reporting period, except for Chairman of the Board of Directors having performed the duties and powers of President and the change of Company Secretary disclosed by the Bank, the Bank complied with the principles, code provisions and recommended best practices stipulated in the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules).

### Profits and Dividends Distribution

The profit and financial status of the Bank during the reporting period are presented in the Auditor's Report and Financial Statements of the annual report of the Bank.

As approved at the Annual General Meeting for the Year 2023 held on 28 June 2024, the Bank has distributed cash dividends of about RMB109,203 million, or RMB3.064 per ten shares (pre-tax) for the period from 1 January 2023 to 31 December 2023 to the ordinary shareholders whose names appeared on the share register after the close of market on 15 July 2024.

As approved at the Third Extraordinary General Meeting of 2024 held on 2 December 2024, the Bank has distributed cash dividends of about RMB51,109 million, or RMB1.434 per ten shares (pre-tax) for the period from 1 January 2024 to 30 June 2024 to the ordinary shareholders whose names appeared on the share register after the close of market on 6 January 2025.

The Board of Directors of the Bank proposed distributing year-end cash dividends for ordinary shares of RMB1.646 (pre-tax) for each ten shares of 356,406,257,089 ordinary shares for 2024, totaling about RMB58,664 million. The Bank will distribute cash dividends of about RMB109,773 million, or RMB3.080 per ten shares (pre-tax) for the whole year. The distribution plan will be submitted to the Annual General Meeting for the Year 2024 for approval. Once approved, the 2024 year-end cash dividends for ordinary shares will be paid to the holders of A shares and H shares whose names appeared on the share register of the Bank after the close of market on 11 July 2025. The Bank will suspend the registration procedures of H share ownership transfer on 7 July 2025 (inclusive) through 11 July 2025 (inclusive). The holders of H shares of the Bank that desire to receive the proposed cash dividends but have not registered the ownership transfer documents are requested to hand over their ownership transfer documents together with the relevant share certificates to the Bank's H share registrar – Computershare Hong Kong Investor Services Limited that is located at Rooms 1712-1716, 17 Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong SAR, China no later than 4:30 p.m. on 4 July 2025. Pursuant to relevant regulatory requirements and operational rules, dividends on A shares and H shares will be paid on 14 July 2025 and 22 August 2025, respectively. The Bank's 2024 year-end cash dividends for ordinary shares are denominated and declared in RMB and paid in RMB

or HKD equivalent, and the holders of H shares are provided with the option of dividend distribution in RMB. The holders of H shares have the right to choose to receive the year-end dividend of H shares in RMB or HKD in whole (HKSCC Nominees Limited may choose to receive the year-end dividend in whole or in part). The HKD exchange rate is the RMB central parity published by the PBC on the day of the Annual General Meeting of the Bank.

For dividend-related tax and tax reduction, please refer to the announcements on dividend distribution of the Bank.

The Bank did not convert any capital reserve to share capital in the last three years. The table below sets out the cash dividend distribution of ordinary shares for the last three years:

<b>Item</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Dividend per ten shares (pre-tax, in RMB yuan)	<b>3.080</b>	3.064	3.035
Cash dividends (pre-tax, in RMB millions)	<b>109,773</b>	109,203	108,169
Percentage of cash dividends <sup>(1)</sup> (%)	<b>31.3</b>	31.3	31.3

*Note:* (1) Calculated by dividing cash dividends on ordinary shares (pre-tax) by net profit attributable to ordinary shareholders of the parent company for the period.

For details on the distribution of dividends on preference shares, please refer to the section headed “Details of Changes in Share Capital and Shareholding of Substantial Shareholders – Preference Shares”.

### **Purchase, Sale and Redemption of Shares**

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed shares (including sale of treasury shares) of the Bank. As at 31 December 2024, the Bank and its subsidiaries did not hold any treasury shares.

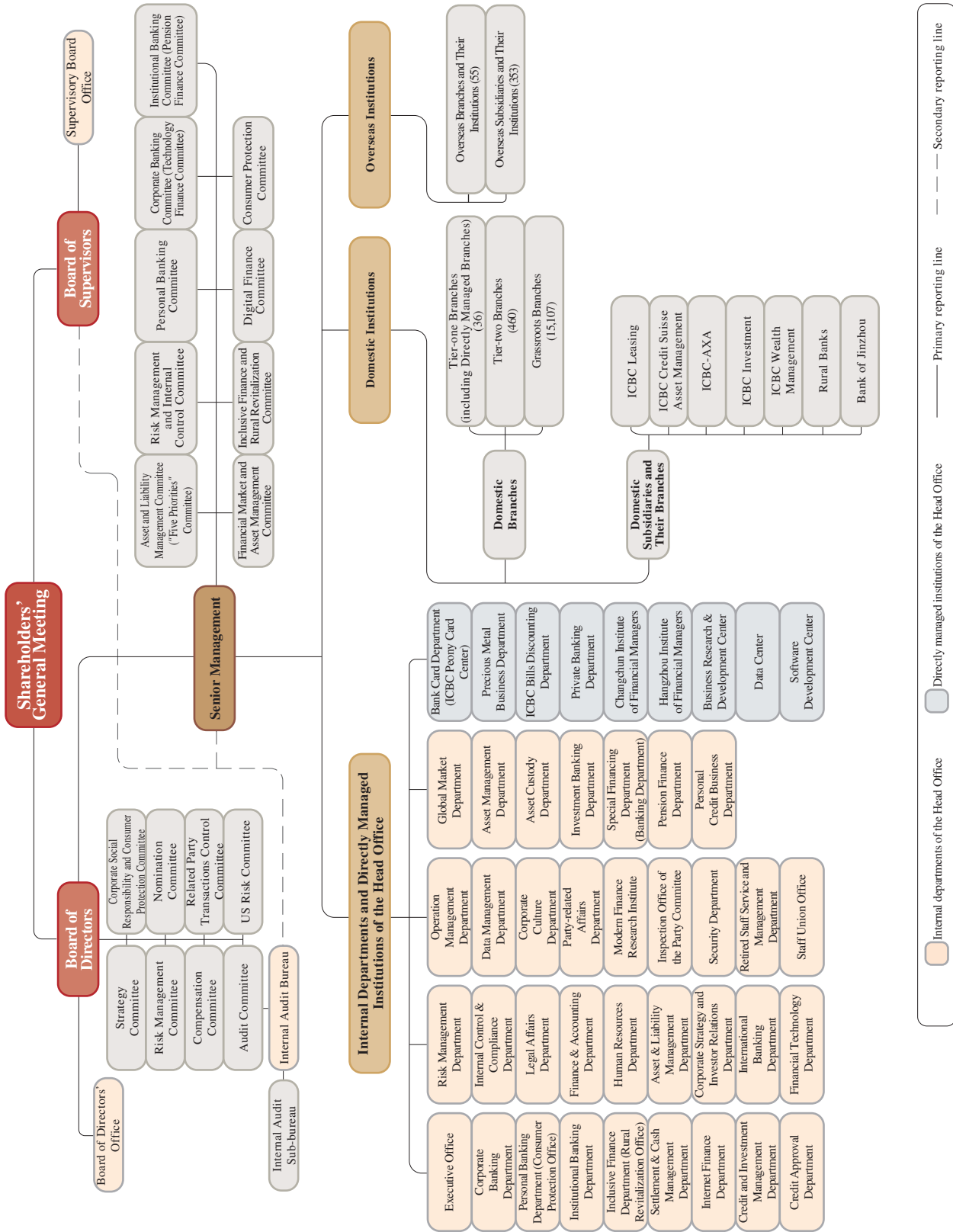
### **Securities Transactions of Directors and Supervisors**

The Bank has adopted a set of codes of conduct concerning the securities transactions by directors and supervisors which are no less stringent than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix C3 to the Hong Kong Listing Rules). After making enquiries and confirmations to all Directors and Supervisors of the Bank, each Director and Supervisor confirmed that he/she has complied with the provisions of the aforesaid codes of conduct during the reporting period.

### **Material Assets Acquisition, Sale and Merger**

During the reporting period, the Bank did not engage in any material assets acquisition, sale or merger that would be recognized as such in accordance with the relevant laws and regulations, including the listing rules in the Bank’s places of listing.

# 7. Organizational Chart



Note: The above chart shows the organization chart of the Bank as at the end of 2024.

## **8. Auditor's Report and Financial Statements**

(See the Appendices)

## 9. List of Domestic and Overseas Branches and Offices

### Domestic Institutions

#### ANHUI BRANCH

Address: No. 189 Wuhu Road, Hefei  
City, Anhui Province, China  
Postcode: 230001  
Tel: 0551-62869178/62868101  
Fax: 0551-62868077

#### BEIJING BRANCH

Address: Tower B, Tianyin Mansion,  
No. 2 Fuxingmen South Street, Xicheng  
District, Beijing, China  
Postcode: 100031  
Tel: 010-66410579  
Fax: 010-66410579

#### CHONGQING BRANCH

Address: No. 61 Taichang Road, Nan'an  
District, Chongqing, China  
Postcode: 400061  
Tel: 023-62918002  
Fax: 023-62918059

#### DALIAN BRANCH

Address: No. 5 Zhongshan Square, Dalian  
City, Liaoning Province, China  
Postcode: 116001  
Tel: 0411-82378888  
Fax: 0411-82808377

#### FUJIAN BRANCH

Address: No. 108 Gutian Road, Fuzhou  
City, Fujian Province, China  
Postcode: 350005  
Tel: 0591-88087835/88087000  
Fax: 0591-83353905/83347074

#### GANSU BRANCH

Address: No. 408 Qingyang Road,  
Chengguan District, Lanzhou City, Gansu  
Province, China  
Postcode: 730030  
Tel: 0931-8436609  
Fax: 0931-8435166

#### GUANGDONG BRANCH

Address: No. 123 Yanjiang West Road,  
Guangzhou City, Guangdong Province,  
China  
Postcode: 510120  
Tel: 020-81308130  
Fax: 020-81308789

#### GUANGXI BRANCH

Address: No. 15-1 Jiaoyu Road, Nanning  
City, Guangxi Zhuang Autonomous  
Region, China  
Postcode: 530022  
Tel: 0771-5316617  
Fax: 0771-5316617/2806043

#### GUIZHOU BRANCH

Address: No. 200 Zhonghua North Road,  
Yunyan District, Guiyang City, Guizhou  
Province, China  
Postcode: 550001  
Tel: 0851-86208348/88620018  
Fax: 0851-85963911

#### HAINAN BRANCH

Address: No. 54 Heping South Road,  
Haikou City, Hainan Province, China  
Postcode: 570203  
Tel: 0898-65303138/65342829  
Fax: 0898-65342986

#### HEBEI BRANCH

Address: Tower B, Zhonghua Shangwu  
Tower, No. 188 Zhongshan West Road,  
Shijiazhuang City, Hebei Province, China  
Postcode: 050051  
Tel: 0311-66000001/66001999  
Fax: 0311-66000002

#### HENAN BRANCH

Address: No. 99 Jingsan Road,  
Zhengzhou City, Henan Province, China  
Postcode: 450011  
Tel: 0371-65776888/65776808  
Fax: 0371-65776889/65776988



#### HEILONGJIANG BRANCH

Address: No. 218 Zhongyang Street,  
Daoli District, Harbin City, Heilongjiang  
Province, China  
Postcode: 150010  
Tel: 0451-84668191/84668577  
Fax: 0451-84698115

#### HUBEI BRANCH

Address: No. 31 Zhongbei Road,  
Wuchang District, Wuhan City, Hubei  
Province, China  
Postcode: 430071  
Tel: 027-69908676/69908658  
Fax: 027-69908040

#### HUNAN BRANCH

Address: No. 619 Furong Middle Road Yi  
Duan, Changsha City, Hunan Province,  
China  
Postcode: 410011  
Tel: 0731-84428833/84420000  
Fax: 0731-84430039

#### JILIN BRANCH

Address: No. 9559 Renmin Avenue,  
Changchun City, Jilin Province, China  
Postcode: 130022  
Tel: 0431-89569308  
Fax: 0431-88923808

#### JIANGSU BRANCH

Address: No. 408 Zhongshan South Road,  
Nanjing City, Jiangsu Province, China  
Postcode: 210006  
Tel: 025-52858000  
Fax: 025-52858111

#### JIANGXI BRANCH

Address: No. 888, Fenghe Middle  
Avenue, Honggutan District, Nanchang  
City, Jiangxi Province, China  
Postcode: 330038  
Tel: 0791-86695682/86695018  
Fax: 0791-86695230

#### LIAONING BRANCH

Address: No. 88 Nanjing North Road,  
Heping District, Shenyang City, Liaoning  
Province, China  
Postcode: 110001  
Tel: 024-23491600  
Fax: 024-23491609

#### INNER MONGOLIA BRANCH

Address: No. 10 Silk Road Avenue,  
Xincheng District, Hohhot City, Inner  
Mongolia Autonomous Region, China  
Postcode: 010060  
Tel: 0471-6940833/6940297  
Fax: 0471-6940048

#### NINGBO BRANCH

Address: No. 218 Zhongshan West Road,  
Ningbo City, Zhejiang Province, China  
Postcode: 315010  
Tel: 0574-87361162  
Fax: 0574-87361190

#### NINGXIA BRANCH

Address: No. 67 Zhonghai Road,  
Jinfeng District, Yinchuan City, Ningxia  
Autonomous Region, China  
Postcode: 750002  
Tel: 0951-5029739  
Fax: 0951-5890917

#### QINGDAO BRANCH

Address: No. 25 Shandong Road, Shinan  
District, Qingdao City, Shandong  
Province, China  
Postcode: 266071  
Tel: 0532-66211001  
Fax: 0532-85814711

#### QINGHAI BRANCH

Address: No. 2 Shengli Road, Xining  
City, Qinghai Province, China  
Postcode: 810001  
Tel: 0971-6169722/6152326  
Fax: 0971-6152326

**SHANDONG BRANCH**

Address: No. 310 Jingsi Road, Jinan City,  
Shandong Province, China  
Postcode: 250001  
Tel: 0531-66681114  
Fax: 0531-87941749/66681200

**SHANXI BRANCH**

Address: No. 145 Yingze Street, Taiyuan  
City, Shanxi Province, China  
Postcode: 030001  
Tel: 0351-6248888/6248011  
Fax: 0351-6248004

**SHAANXI BRANCH**

Address: No. 395 Dongxin Street, Xi'an  
City, Shaanxi Province, China  
Postcode: 710004  
Tel: 029-87602608/87602630  
Fax: 029-87602999

**SHANGHAI BRANCH**

Address: No. 8 Yincheng Road, Pudong  
New Area, Shanghai, China  
Postcode: 200120  
Tel: 021-68088888/58885888  
Fax: 021-58882888

**SHENZHEN BRANCH**

Address: North Block, Financial Center,  
No. 5055 Shennan East Road, Luohu  
District, Shenzhen City, Guangdong  
Province, China  
Postcode: 518015  
Tel: 0755-82246400  
Fax: 0755-82246247

**SICHUAN BRANCH**

Address: No. 45 Zongfu Road, Jinjiang  
District, Chengdu City, Sichuan Province,  
China  
Postcode: 610020  
Tel: 028-82866000  
Fax: 028-82866025

**TIANJIN BRANCH**

Address: No. 123 Weidi Road, Hexi  
District, Tianjin, China  
Postcode: 300074  
Tel: 022-28400648  
Fax: 022-28400123/28400647

**XIAMEN BRANCH**

Address: No. 17 Hubin North Road,  
Xiamen City, Fujian Province, China  
Postcode: 361012  
Tel: 0592-5292000  
Fax: 0592-5054663

**XINJIANG BRANCH**

Address: No. 231 Renmin Road, Tianshan  
District, Urumqi, Xinjiang Autonomous  
Region, China  
Postcode: 830002  
Tel: 0991-5982305/5982005  
Fax: 0991-2828608

**XIZANG BRANCH**

Address: Building A, Shengcheng Jinyuan  
Commercial Complex, No. 107 Jinzhu  
West Road, Chengguan District, Lhasa,  
Xizang Autonomous Region  
Postcode: 850000  
Tel: 0891-6898002  
Fax: 0891-6898001

**YUNNAN BRANCH**

Address: Bank Mansion, No. 395  
Qingnian Road, Kunming City, Yunnan  
Province, China  
Postcode: 650021  
Tel: 0871-65536313  
Fax: 0871-63134637

**ZHEJIANG BRANCH**

Address: No. 66 Juyuan Road,  
Shangcheng District, Hangzhou City,  
Zhejiang Province, China  
Postcode: 310016  
Tel: 0571-87803888  
Fax: 0571-87808207

ICBC Credit Suisse Asset Management Co., Ltd.  
Address: Tower A, Xincheng Plaza,  
No. 5 Financial Street, Xicheng District,  
Beijing, China  
Postcode: 100033  
Tel: 010-66583349  
Fax: 010-66583158

ICBC Financial Leasing Co., Ltd.  
Address: Taida MSD-B1, No. 62 Second  
Street, Economic Development Zone,  
Tianjin, China  
Postcode: 300457  
Tel: 022-66283766/010-66105888  
Fax: 022-66224510/010-66105999

ICBC-AXA Assurance Co., Ltd.  
Address: 19/F Mirae Asset Tower,  
No. 166 Lujiazui Ring Road, Pudong  
New Area, Shanghai, China  
Postcode: 200120  
Tel: 021-58792288  
Fax: 021-58792299

ICBC Financial Asset Investment Co.,  
Ltd.  
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Innovation Center Phase I, Jiangbei New  
Area, No. 211 Pubin Road, Nanjing City,  
Jiangsu Province, China  
Postcode: 211800  
Tel: 025-58172219

ICBC Wealth Management Co., Ltd.  
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District, Beijing, China  
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Tel: 010-86509184  
Fax: 010-86509835

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Ltd.  
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Street, Bishan District, Chongqing, China  
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Zhejiang Pinghu ICBC Rural Bank Co.,  
Ltd.  
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Pinghu City, Zhejiang Province, China  
Postcode: 314200  
Tel: 0573-85139616  
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Bank of Jinzhou Co., Ltd.  
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Liaoning Province, China  
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Tel: 0416-2818000/2111036  
Fax: 0416-3220003

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Fax: + 852-25881160  
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Fax: +852-26833900  
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SWIFT: ICBKMOMX

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Tel: +853-28555222  
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SWIFT: ICBKMOMM

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Fax: +813-52198525  
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Tel: +82-514638868  
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SWIFT: ICBKKRSE

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Fax: +65-65381370  
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Fax: +62-2131996016  
SWIFT: ICBKIDJA

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Fax: +63-284032023  
SWIFT: ICBKPHMM

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Tel: +84-2462698888  
Fax: +84-2462699800  
SWIFT: ICBKVN VN

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SWIFT: ICBKAEAD

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SWIFT: ICBKSARI



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SWIFT: ICBKAU2S

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SWIFT: ICBKESMM

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SWIFT: ICBKGB3L

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United Kingdom, EC2V 7JE  
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Fax: +44-2031895000  
SWIFT: SBLLGB2L

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SWIFT: ICBKARBA

ICBC Investments Argentina S.A.U.

Sociedad Gerente de Fondos Comunes de  
Inversión

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SWIFT: ICBKPAPA

## **Africa**

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South Africa, 2196

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## 10. Issue of Results Announcement and Annual Report

This Results Announcement will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com) simultaneously. The 2024 Annual Report prepared in accordance with IFRSs will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com). Specifically, the 2024 Annual Report prepared in accordance with IFRSs will be dispatched to the shareholders of H shares of the Bank. The 2024 Annual Report and its abstract prepared in accordance with PRC GAAP will be released simultaneously on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Bank (www.icbc-ltd.com).

This Results Announcement has been prepared in both Chinese and English languages. In case of any discrepancy between the two versions, the Chinese version shall prevail.

By Order of  
The Board of Directors of  
**Industrial and Commercial Bank of China Limited**

28 March 2025

*As at the date of this announcement, the Board of Directors comprises Mr. LIAO Lin, Mr. LIU Jun and Mr. WANG Jingwu as executive directors, Mr. LU Yongzhen, Mr. FENG Weidong, Ms. CAO Liqun, Ms. CHEN Yifang, Mr. DONG Yang and Ms. ZHONG Mantao as non-executive directors, Mr. Fred Zuli HU, Mr. Norman CHAN Tak Lam, Mr. Herbert WALTER, Mr. Murray HORN, Mr. CHEN Guanting and Mr. LI Weiping as independent non-executive directors.*

# **Appendix**

## **Auditor's Report and Financial Statements**



# Industrial and Commercial Bank of China Limited

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## **Independent auditor’s report**

### **To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People’s Republic of China with limited liability)

#### **Opinion**

We have audited the consolidated financial statements of Industrial and Commercial Bank of China Limited (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 129 to 331, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **Basis for opinion**

We conducted our audit in accordance with the International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (IAASB). 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 HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Independent auditor's report (continued)

To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Allowance for impairment losses on loans and advances to customers measured at amortised cost</i></b>	
<p>Significant judgments and assumptions are involved in the measurement of allowance for impairment losses on loans and advances to customers measured at amortised cost, for example:</p> <ul style="list-style-type: none"><li>– Significant increase in credit risk<ul style="list-style-type: none"><li>– Criteria for determining whether significant increase in credit risk has occurred are highly judgmental and may have a significant impact on the expected credit losses for loans and advances to customers measured at amortised cost with a longer outstanding maturities;</li></ul></li><li>– Models and parameters – Complex models, numerous parameters and inputs, including probability of default, loss given default, exposure at default, and risk grouping, are used to measure expected credit losses, involving plenty of management judgments and assumptions;</li><li>– Forward-looking information – Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for multiple probability-weighted macroeconomic scenarios;</li><li>– 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.</li></ul>	<p>We evaluated and tested the design and operating effectiveness of key controls over credit granting, post approval credit management, loan credit rating system, collateral management as well as management, implementation and monitoring of expected credit losses approach, including:</p> <ul style="list-style-type: none"><li>– With the support of our IT audit experts, 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;</li><li>– We evaluated and tested related internal controls over the management, implementation and monitoring of expected credit losses approach, including approval of management system, important policies, important models, key parameters and their adjustments, ongoing monitoring of model performance, model validation, monitoring and parameter calibration.</li></ul>

## Independent auditor's report (continued)

### To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Allowance for impairment losses on loans and advances to customers measured at amortised cost (continued)</i></b>	
<p>As at 31 December 2024, the Group's balance of loans and advances to customers measured at amortised cost was RMB26,475,860 million, and the related impairment provision was RMB815,072 million. As the measurement of expected credit losses involves many significant judgments and assumptions, we consider expected credit losses for loans and advances to customers measured at amortised cost a key audit matter.</p> <p>Refer to Note 4 (10), Note 5, Note 14, Note 23.1, Note 23.2(a) and Note 50(a) to the consolidated financial statements for relevant disclosures.</p>	<p>We adopted a risk-based sampling approach in our loan review procedures, focusing on loans granted to industries affected by macroeconomic changes and to real estate enterprises with bond defaults and negative news coverage. We assessed the debtors' repayment capacity and evaluated the Group's judgment in rating loans, taking into consideration post-lending inspection reports, debtors' financial information, collateral valuation reports and other available information.</p> <p>With the support of our modelling experts, we evaluated and tested the expected credit loss model methodology, key parameters, and management's significant judgments and assumptions, mainly focusing on the following aspects:</p> <ul style="list-style-type: none"><li>- Taking into account macroeconomic changes, industry risk factors, and results of validation, reassessment and update of ECL model, we assessed the reasonableness of 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;</li></ul>

## Independent auditor's report (continued)

To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Allowance for impairment losses on loans and advances to customers measured at amortised cost (continued)</i>	<ul style="list-style-type: none"><li data-bbox="774 526 1503 772">– 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;</li><li data-bbox="774 817 1503 1198">– We performed back-testing on a sampling basis and assessed the reasonableness of management's determination of credit impairment. For credit-impaired loans and advances, we analysed the amount, timing and probability of management's estimated future cash flows on a sampling basis, especially recoverable cash flows from collaterals.</li></ul> <p data-bbox="774 1243 1503 1368">We inspected and assessed the appropriateness of disclosures of expected credit losses in the financial statements.</p>

## Independent auditor's report (continued)

### To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Consolidation of structured entities</i></b>	
<p>Structured entities mainly include wealth management products, investment funds, trust plans, asset management plans and asset-backed securities in which the Group has interests in them through their initiation, management or investment. 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.</p> <p>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 benefits received 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. In view of the materiality and the complexity of management judgements, we consider consolidation assessment of structured entities a key audit matter.</p> <p>Refer to Note 4(2), Note 5 and Note 43 to the consolidated financial statements for relevant disclosures.</p>	<p>We evaluated and tested the design and operating effectiveness of key internal controls over the Group's assessment of whether it consolidates a structured entity.</p> <p>We assessed the reasonableness of the Group's analysis and judgment of consolidation of structured entities through the following procedures:</p> <ul style="list-style-type: none"><li>- We inspected the relevant contractual documents and checked the Group's analysis on its power over these structured entities on the basis of comprehensive consideration of all relevant facts and circumstances;</li><li>- We checked the Group's analysis of the magnitude and variability of the variable returns received from the structured entity and the extent to which variable returns are influenced through the Group's power and other available information, which included examining whether the Group has legal or constructive obligations to ultimately absorb losses from structured entities, whether the Group has provided liquidity support or credit enhancement to structured entities initiated by itself, such as wealth management products, on a sampling basis.</li></ul> <p>We checked and assessed the appropriateness of the financial statement disclosures in relation to the consolidation of structured entities.</p>



## Independent auditor's report (continued)

### To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Fair value of financial instruments</i></b>	
<p>The valuation of the Group's financial instruments measured at fair value is based on readily available market data or valuation models. For financial instruments without readily available market data such as debt securities, equities, over-the-counter derivative contracts and structured deposits, fair values are measured based on valuation techniques. The selection of valuation techniques and significant unobservable input data requires significant accounting judgement and estimation by management.</p> <p>As at 31 December 2024, the Group's financial assets that were measured at fair value amounted to RMB6,497,262 million, representing 13.31% of total assets; financial liabilities that were measured at fair value amounted to RMB475,549 million, representing 1.06% of total liabilities. Level 3 financial assets and liabilities with significant unobservable input data amounted to RMB199,797 million and RMB2,461 million respectively.</p> <p>Given the materiality of the financial instruments' balance measured at fair value and the significant judgements and assumptions involved in fair value measurement of Level 3 financial instruments, we consider valuation of financial instruments a key audit matter.</p> <p>Refer to Note 4(7), Note 5, Note 21, Note 22, Note 23, Note 24, Note 32, Note 33 and Note 51 to the consolidated financial statements for relevant disclosures.</p>	<p>We evaluated and tested the design and operating effectiveness of key internal controls related to the valuation of financial instruments, including independent price verification, and independent model validation and approval.</p> <p>We evaluated the valuation techniques, inputs and assumptions through comparison with the valuation techniques commonly used in the markets, validation of observable inputs using external market data, and comparison with valuation outcomes obtained from various pricing sources on a sampling basis.</p> <p>For valuations which used significant unobservable inputs, such as unlisted equity investments and private equity fund investments, we involved our internal valuation specialists in assessing the models used, re-performing independent valuations on a sampling basis, and analysing the sensitivities of valuation results to key inputs and assumptions.</p> <p>We checked and assessed the appropriateness of the financial statement disclosures in relation to the fair value of instruments.</p>

## Independent auditor's report (continued)

### To the shareholders of Industrial and Commercial Bank of China Limited:

(Incorporated in the People's Republic of China with limited liability)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>IT systems and control related to financial reporting</i></b>	
<p>As a large commercial banking group, the Group operates highly complex IT systems.</p> <p>The accuracy of the Group's financial reporting relies on IT systems, along with the effective design and operation of IT general control and IT automated control over these systems. Specifically, IT general control includes IT governance, control over system development and program changes, access control over programs and data, and IT operations; while IT automated control includes edit checks, matching verifications, system-driven calculations, system interfaces, and access authorizations related to significant accounts. Such control primarily applies to the processes of key businesses such as corporate banking, personal banking, asset management services and financial market.</p> <p>With the rapid growth of the Group's online transaction volume, as well as the continuous advancement and application of new technologies that increases third-party network access, the Group faces escalating challenges in cybersecurity and data protection, which impacts the IT systems that are integral to financial reporting.</p> <p>Given that the Group's financial accounting and reporting remain heavily reliant on these IT systems and control, we consider IT systems and control related to financial reporting as a key audit matter.</p>	<p>With the support of our IT audit experts, we performed audit procedures in respect of IT systems and control related to financial reporting through the following procedures:</p> <ul style="list-style-type: none"><li>– Evaluated and tested the design and operating effectiveness of key internal control over the IT systems related to financial reporting;</li><li>– Evaluated and tested the design and operating effectiveness of automated control related to significant accounts and assertions or risk of material misstatement;</li><li>– Evaluated and tested the design and operating effectiveness of control related to cybersecurity management, operational security of critical infrastructure, data and customer information management, and system operation monitoring and emergency management;</li><li>– Evaluated and tested the design and operating effectiveness of control related to intrusion prevention management, antivirus and malware management, patch management, data encryption management, data backup management, as well as the monitoring and handling of information security incidents.</li></ul>

## **Independent auditor's report (continued)**

### **To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

#### **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 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.

## **Independent auditor's report (continued)**

### **To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

#### **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.

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.

## **Independent auditor's report (continued)**

**To the shareholders of Industrial and Commercial Bank of China Limited:**

(Incorporated in the People's Republic of China with limited liability)

### **Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

- 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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 *Hoffman Cheong*.

*Ernst & Young*  
Certified Public Accountants  
Hong Kong  
28 March 2025

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Profit or Loss

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Notes	2024	2023
Interest income		1,427,948	1,405,039
Interest expense		(790,543)	(750,026)
<b>NET INTEREST INCOME</b>	6	<b>637,405</b>	655,013
Fee and commission income		126,177	137,891
Fee and commission expense		(16,780)	(18,534)
<b>NET FEE AND COMMISSION INCOME</b>	7	<b>109,397</b>	119,357
Net trading income	8	19,440	14,928
Net gains on financial investments	9	22,961	21,560
Other operating expense, net	10	(3,077)	(4,400)
<b>OPERATING INCOME</b>		<b>786,126</b>	806,458
Operating expenses	11	(242,155)	(238,698)
Credit impairment losses	14	(125,739)	(148,808)
Impairment losses on other assets		(924)	(2,008)
<b>OPERATING PROFIT</b>		<b>417,308</b>	416,944
Share of results of associates and joint ventures		4,519	5,022
<b>PROFIT BEFORE TAXATION</b>		<b>421,827</b>	421,966
Income tax expense	15	(54,881)	(56,850)
<b>PROFIT FOR THE YEAR</b>		<b>366,946</b>	365,116
Profit for the year attributable to:			
Equity holders of the parent company		365,863	363,993
Non-controlling interests		1,083	1,123
<b>PROFIT FOR THE YEAR</b>		<b>366,946</b>	365,116
<b>EARNINGS PER SHARE</b>	18		
– Basic (RMB yuan)		0.98	0.98
– Diluted (RMB yuan)		0.98	0.98

The accompanying notes form part of these consolidated financial statements.



# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Note	2024	2023
<b>Profit for the year</b>		<u>366,946</u>	<u>365,116</u>
Other comprehensive income (after tax, net):	41		
(a) Items that will not be reclassified to profit or loss:			
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income		3,769	1,530
(ii) Other comprehensive income recognised under the equity method		43	(7)
(iii) Others		<u>24</u>	<u>(28)</u>
(b) Items that may be reclassified subsequently to profit or loss:			
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income		54,514	21,104
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income		(269)	205
(iii) Cash flow hedging reserve		(1,332)	117
(iv) Other comprehensive income recognised under the equity method		(58)	(372)
(v) Foreign currency translation reserve		9,744	1,823
(vi) Others		<u>(15,246)</u>	<u>(5,145)</u>
<b>Subtotal of other comprehensive income for the year</b>		<u>51,189</u>	<u>19,227</u>
<b>Total comprehensive income for the year</b>		<u>418,135</u>	<u>384,343</u>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent company		418,252	383,921
Non-controlling interests		<u>(117)</u>	<u>422</u>
		<u>418,135</u>	<u>384,343</u>

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Financial Position

As at 31 December 2024

(In RMB millions, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
<b>ASSETS</b>			
Cash and balances with central banks	19	3,322,911	4,042,293
Due from banks and other financial institutions	20	1,219,876	1,116,717
Derivative financial assets	21	222,361	75,339
Reverse repurchase agreements	22	1,210,217	1,224,257
Loans and advances to customers	23	27,613,781	25,386,933
Financial investments	24	14,153,576	11,849,668
Financial investments measured at fair value through profit or loss		1,010,439	811,957
Financial investments measured at fair value through other comprehensive income		3,291,152	2,230,862
Financial investments measured at amortised cost		9,851,985	8,806,849
Investments in associates and joint ventures	26	73,357	64,778
Property and equipment	27	302,387	298,878
Deferred tax assets	28	90,047	104,669
Other assets	29	613,233	533,547
<b>TOTAL ASSETS</b>		<b>48,821,746</b>	<b>44,697,079</b>
<b>LIABILITIES</b>			
Due to central banks		169,622	231,374
Due to banks and other financial institutions	31	4,590,965	3,369,858
Financial liabilities measured at fair value			
through profit or loss	32	76,056	62,859
Derivative financial liabilities	21	197,795	76,251
Repurchase agreements	33	1,523,555	1,018,106
Certificates of deposit	34	445,419	385,198
Due to customers	35	34,836,973	33,521,174
Income tax payable		31,880	63,322
Debt securities issued	36	2,028,722	1,369,777
Deferred tax liabilities	28	4,278	3,930
Other liabilities	37	929,215	818,642
<b>TOTAL LIABILITIES</b>		<b>44,834,480</b>	<b>40,920,491</b>

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Financial Position (continued)

As at 31 December 2024

(In RMB millions, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
<b>EQUITY</b>			
Equity attributable to equity holders of the parent company			
Share capital	38	356,407	356,407
Other equity instruments	39	324,344	354,331
Preference shares		134,614	134,614
Perpetual bonds		189,730	219,717
Reserves	40	1,275,004	1,134,082
Retained profits		<u>2,014,086</u>	<u>1,912,067</u>
		<u>3,969,841</u>	<u>3,756,887</u>
Non-controlling interests		<u>17,425</u>	<u>19,701</u>
<b>TOTAL EQUITY</b>		<u>3,987,266</u>	<u>3,776,588</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>48,821,746</u>	<u>44,697,079</u>

**Liao Lin**  
Chairman

**Liu Jun**  
Vice Chairman and President

**Xu Zhisheng**  
Person in charge of Finance and  
Accounting Department

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Changes in Equity

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company													
	Reserves										Retained profits	Non-controlling interests	Total equity	
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal				
Balance as at 1 January 2024	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588
Profit for the year	-	-	-	-	-	-	-	-	-	-	365,863	365,863	1,083	366,946
Other comprehensive income	-	-	-	-	-	53,534	9,516	(1,280)	(9,381)	52,389	-	52,389	(1,200)	51,189
Total comprehensive income	-	-	-	-	-	53,534	9,516	(1,280)	(9,381)	52,389	365,863	418,252	(117)	418,135
Dividends – ordinary shares (i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(160,312)	(160,312)	-	(160,312)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,963)	(14,963)	-	(14,963)
Appropriation to surplus reserve (ii)	-	-	-	36,006	-	-	-	-	-	36,006	(36,006)	-	-	-
Appropriation to general reserve (iii)	-	-	-	-	53,179	-	-	-	-	53,179	(53,179)	-	-	-
Capital injection by non-controlling shareholders	-	50,000	(2)	-	-	-	-	-	-	(2)	-	49,998	872	50,870
Capital reduction by non-controlling shareholders	-	(79,987)	(13)	-	-	-	-	-	-	(13)	-	(80,000)	-	(80,000)
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(116)	(116)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(616)	-	-	-	(616)	616	-	-	-
Others	-	-	(21)	-	-	-	-	-	-	(21)	-	(21)	(2,915)	(2,936)
Balance as at 31 December 2024	<u>356,407</u>	<u>324,344</u>	<u>148,234</u>	<u>464,365</u>	<u>614,816</u>	<u>76,965</u>	<u>(6,092)</u>	<u>(4,181)</u>	<u>(19,103)</u>	<u>1,275,004</u>	<u>2,014,086</u>	<u>3,969,841</u>	<u>17,425</u>	<u>3,987,266</u>

- (i) Includes interim dividends on ordinary shares of RMB51,109 million for 2024 and annual dividends on ordinary shares of RMB109,203 million for 2023.
- (ii) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB98 million and RMB1,237 million, respectively.
- (iii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB928 million.

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Changes in Equity (continued)

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company													
	Reserves										Retained profits	Total	Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal				
Balance as at 31 December 2022	356,407	354,331	148,280	392,487	496,719	767	(17,241)	(2,987)	(1,129)	1,016,896	1,767,537	3,495,171	18,655	3,513,826
Accounting policy change	-	-	-	-	-	1,576	-	-	(4,848)	(3,272)	4,210	938	655	1,593
Balance as at 1 January 2023	356,407	354,331	148,280	392,487	496,719	2,343	(17,241)	(2,987)	(5,977)	1,013,624	1,771,747	3,496,109	19,310	3,515,419
Profit for the year	-	-	-	-	-	-	-	-	-	-	363,993	363,993	1,123	365,116
Other comprehensive income	-	-	-	-	-	21,954	1,633	86	(3,745)	19,928	-	19,928	(701)	19,227
Total comprehensive income	-	-	-	-	-	21,954	1,633	86	(3,745)	19,928	363,993	383,921	422	384,343
Dividends – ordinary shares 2022 final (Note 17)	-	-	-	-	-	-	-	-	-	-	(108,169)	(108,169)	-	(108,169)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,964)	(14,964)	-	(14,964)
Appropriation to surplus reserve (i)	-	-	-	35,872	-	-	-	-	-	35,872	(35,872)	-	-	-
Appropriation to general reserve (ii)	-	-	-	-	64,918	-	-	-	-	64,918	(64,918)	-	-	-
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(250)	-	-	-	(250)	250	-	-	-
Others	-	-	(10)	-	-	-	-	-	-	(10)	-	(10)	-	(10)
Balance as at 31 December 2023	356,407	354,331	148,270	428,359	561,637	24,047	(15,608)	(2,901)	(9,722)	1,134,082	1,912,067	3,756,887	19,701	3,776,588

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB112 million and RMB891 million, respectively.
- (ii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB654 million.

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Cash Flows

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		421,827	421,966
Adjustments for:			
Share of results of associates and joint ventures		(4,519)	(5,022)
Depreciation		29,553	30,345
Amortisation	11	5,157	4,429
Credit impairment losses	14	125,739	148,808
Impairment losses on other assets		924	2,008
Unrealised gains on foreign exchange		(4,990)	(4,444)
Interest expense on debt securities issued		50,929	40,967
Accreted interest on impaired loans		(1,994)	(1,915)
Net gains on financial investments		(24,190)	(23,510)
Interest income on financial investments		(365,208)	(338,267)
Net gains on changes in fair value		(12,220)	(2,711)
Net gains on stocktake and disposal of property and equipment and other assets (other than repossessed assets)		(1,308)	(1,813)
Dividend income	9	(3,067)	(4,020)
		<u>216,633</u>	<u>266,821</u>
Net decrease/(increase) in operating assets:			
Due from central banks		165,650	(178,368)
Due from banks and other financial institutions		356,999	85,731
Financial assets measured at fair value through profit or loss		(190,081)	(26,740)
Reverse repurchase agreements		(21,896)	23,917
Loans and advances to customers		(2,277,977)	(2,898,902)
Other assets		(68,180)	(104,618)
		<u>(2,035,485)</u>	<u>(3,098,980)</u>
Net increase/(decrease) in operating liabilities:			
Financial liabilities measured at fair value through profit or loss		12,214	(714)
Due to central banks		(61,745)	85,524
Due to banks and other financial institutions		1,065,314	160,197
Repurchase agreements		486,521	437,224
Certificates of deposit		51,074	2,116
Due to customers		821,679	3,531,968
Other liabilities		108,292	120,166
		<u>2,483,349</u>	<u>4,336,481</u>
Net cash flows from operating activities before taxation		664,497	1,504,322
Income tax paid		(85,303)	(87,320)
<b>Net cash flows from operating activities</b>		<u>579,194</u>	<u>1,417,002</u>

The accompanying notes form part of these consolidated financial statements.



# Industrial and Commercial Bank of China Limited

## Consolidated Statement of Cash Flows (continued)

For the Year ended 31 December 2024

(In RMB millions, unless otherwise stated)

	Notes	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property and equipment and other assets		(43,297)	(31,201)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		19,193	7,527
Purchases of financial investments		(6,499,586)	(4,683,824)
Proceeds from sale and redemption of financial investments		4,567,823	3,453,713
Investments in associates and joint ventures		(7,700)	(1,372)
Proceeds from disposal of associates and joint ventures		5,951	2,730
Investment returns received		387,378	360,575
Cash receipts from other investing activities		98,770	–
<b>Net cash flows from investing activities</b>		<b>(1,471,468)</b>	<b>(891,852)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of other equity instruments		50,872	–
Proceeds from issuance of debt securities		2,092,588	1,422,308
Interest paid on debt securities		(52,973)	(49,151)
Repayment of debt securities		(1,463,682)	(956,689)
Cash payment to redeem other equity instrument		(80,000)	–
Dividends paid on ordinary shares		(109,203)	(108,169)
Dividends or interest paid to other equity instrument holders		(14,963)	(14,964)
Dividends paid to non-controlling shareholders		(116)	(31)
Cash payment for other financing activities		(6,840)	(7,860)
<b>Net cash flows from financing activities</b>		<b>415,683</b>	<b>285,444</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(476,591)	810,594
Cash and cash equivalents at beginning of the year		2,755,732	1,926,851
Effect of exchange rate changes on cash and cash equivalents		11,263	18,287
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	42	<b>2,290,404</b>	<b>2,755,732</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>			
Interest received		1,121,140	1,117,401
Interest paid		(679,124)	(617,791)

The accompanying notes form part of these consolidated financial statements.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements

*(In RMB millions, unless otherwise stated)*

### 1. Corporate Information

Industrial and Commercial Bank of China Limited (the “Bank”), which was previously known as Industrial and Commercial Bank of China (“ICBC”), used to be a wholly-state-owned commercial bank established on 1 January 1984 based on the authorisation of the State Council and the People’s Bank of China (the “PBOC”) of the People’s Republic of China (the “PRC”). On 28 October 2005, with the approval of the State Council, ICBC was restructured and incorporated as a joint-stock limited company. The joint-stock limited company undertook all the assets and liabilities of ICBC upon the restructuring. On 27 October 2006, the Bank was listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank obtained authorisation to carry out banking business with an institution code of No. B0001H111000001 from China Banking Regulatory Commission (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the “NFRA”) of the PRC. The Bank obtained its business license with unified social credit code 91100000100003962T by the State Administration for Industry and Commerce. The legal representative is Liao Lin and the registered office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, the PRC.

The Bank’s stock codes of A Shares and H Shares listed on Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited are 601398 and 1398, respectively. The Bank’s offshore preference shares are listed on The Stock Exchange of Hong Kong Limited and the stock code is 4620. The Bank’s domestic preference shares are listed on Shanghai Stock Exchange and the stock codes are 360011 and 360036.

The principal activities of the Bank and its subsidiaries (collectively referred to as the “Group”) comprise corporate financial services, personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services. Domestic establishments refer to the Head Office of the Bank, branches and subsidiaries established in Chinese mainland. Overseas establishments refer to branches and subsidiaries established in jurisdictions outside Chinese mainland.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **2. Basis Of Preparation**

#### **(1) Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) promulgated by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### **(2) Basis of preparation of the financial statements**

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, and certain non-financial assets measured at fair value, as further explained in the respective accounting policies below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are disclosed in Note 5.

### **3. New and Amendments to IFRSs**

#### **(1) Application of amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the Group’s consolidated financial statements:

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The adoption of the above amendments to IFRSs has had no material impact on the financial position and financial performance of the Group.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 3. New and Amendments to IFRSs (continued)

#### (2) New and amendments to IFRSs in issue but not yet effective

The Group has not applied the following new and amendments to IFRS that have been issued but are not yet effective:

- IFRS 18: Presentation and Disclosure in Financial Statements<sup>3</sup>
- IFRS 19: Subsidiaries without Public Accountability: Disclosures<sup>3</sup>
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments<sup>2</sup>
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup>
- Amendments to IAS 21: Lack of Exchangeability<sup>1</sup>

1. Effective for annual periods beginning on or after 1 January 2025.
2. Effective for annual periods beginning on or after 1 January 2026.
3. Effective for annual periods beginning on or after 1 January 2027.
4. No mandatory effective date yet determined.

#### *IFRS 18 Presentation and Disclosure in Financial Statements*

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, replacing IAS 1 Presentation of Financial Statements. Compared with the current IAS 1, the new requirements in IFRS 18 mainly include: introducing three new categories for income, expenses – operating, investing and financing to improve the structure of the income statement, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals of operating profit, profit before financing and income tax; requiring the disclosures of management – defined performance measures to improve the transparency of performance indicators defined by management, and separately disclose the reconciliation process between each management performance indicator and the most directly comparable total or subtotal items specified in IFRSs in the notes, the calculation method of each management performance indicator and the description of its changes, the income tax impact of reconciliation items and the impact on non-controlling interests; strengthening information aggregation and disaggregation to further improve the usefulness of information in financial statements in decision-making.

IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The adoption of IFRS 18 is expected to have no material impact on the financial position and financial performance of the Group.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 3. New and Amendments to IFRSs (continued)

#### (2) New and amendments to IFRSs in issue but not yet effective (continued)

##### *Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments*

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date.

The adoption of the amendments to IFRSs are expected to have no material impact on the financial position and financial performance of the Group.

##### *Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments 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 resulting from a downstream transaction when the sale or contribution of assets 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 amendments are to be applied prospectively.

The adoption of the amendments to IFRSs are expected to have no material impact on the financial position and financial performance of the Group.

The other new and amendments to IFRSs that have been issued but not yet effective are expected to have no material impact on the financial position and financial performance of the Group in the foreseeable future.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 4. Summary of Material Accounting Policy Information

#### (1) Functional currency and foreign currency translation

##### *Functional currency*

The functional currency of the Group's domestic establishments is Renminbi ("RMB"). The overseas establishments determine their own functional currencies which best represent the economic environment they operate in. These financial statements are presented in RMB millions except when otherwise indicated.

##### *Foreign currency translation*

Foreign currency transactions are initially recorded in the functional currency using the exchange rates at the dates of the transactions or deemed exchange rates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the applicable exchange rates ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items at period end rates are recognised in profit or loss, with the exception that they are taken directly to other comprehensive income when the monetary items are designated as part of the hedge of the Bank's net investment in a foreign entity, and the aggregate exchange differences are not recognised in profit or loss until the disposal of such net investment.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as foreign assets and liabilities of the foreign operation and translated at the deemed rates at the end of the reporting period. The exchange differences are recognised in profit or loss or in other comprehensive income, depending on the nature of non-monetary items.

As at the end of the reporting period, the assets and liabilities of foreign operations are translated into the presentation currency of the Bank at the exchange rates ruling at the end of the reporting period. For overseas business not operating in a hyperinflationary economy, all items within equity except for retained profits are translated at the exchange rates ruling at the dates of the transactions. Income and expenses in the statement of profit or loss are translated using the exchange rates at the date of the transactions or deemed exchange rates. The exchange differences arising on the above translation are taken to other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss. The effect of exchange rate changes on cash and cash equivalents is presented separately in the statement of cash flows.



# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **4. Summary of Material Accounting Policy Information (continued)**

#### **(2) Subsidiaries**

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity if 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 Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g., those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual or other arrangements.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and any unrealised profit or loss arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

In the Bank's statement of financial position, investments in subsidiaries are stated at cost less impairment losses.

#### **(3) Non-controlling interests**

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to a parent.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity holders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity holders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated statement of equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.



# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **4. Summary of Material Accounting Policy Information (continued)**

#### **(4) Associates and joint ventures**

An associate is an entity in which the Group has significant influence. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement. Other than those measured at fair value through profit or loss, the Group's investments in associates or joint ventures are accounted for using the equity method.

Under the equity method, an investment in an associate or joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment losses. The consolidated statement of profit or loss reflects the share of the results of operations of the associate or joint venture. Unrealised profits and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. Unrealised losses are also eliminated unless evidence of impairment on the transferred assets is provided for the transaction.

If an investment in an associate becomes an investment in a joint venture, the retained interest is not re-measured. Instead, the investment continues to be accounted under the equity method, and vice versa.

In the Bank's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses.

#### **(5) Business combination and goodwill**

Business combinations are accounted for by applying the acquisition method. The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether the acquired set of assets is not a business. If the concentration test is met, the set of assets is determined not to be a business; otherwise, the Group shall then perform an assessment in accordance with the requirements of business. The consideration transferred is measured at acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Any costs directly attributable to the combination are recognised in profit or loss when incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives from host contracts of the acquiree.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **4. Summary of Material Accounting Policy Information (continued)**

#### **(5) Business combination and goodwill (continued)**

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured to the acquisition date fair value through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is classified as a financial asset or financial liability, is recognised in profit or loss. If the contingent consideration is classified as equity, it shall not be re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and the fair value of the acquirer's previously-held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets and liabilities acquired. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as gains on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year end date. For the purpose of impairment testing, goodwill arising in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in subsequent period.

Where goodwill forms part of a CGU or group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU or group of CGUs retained.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(6) Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) 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); or
  - (viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(7) Classification and measurement of financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement of financial instruments

At initial recognition, financial assets and financial liabilities are measured at fair value. For financial assets and financial liabilities measured at fair value through profit or loss (“FVTPL”), any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial recognised 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.

When measuring fair value, the Group shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date (including the condition of the asset; and restrictions, if any, on the sale or use of the asset), and use valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. The adopted valuation techniques mainly include market approach, income approach and cost approach.

(ii) Classification and subsequent measurement of financial assets

Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”), or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(7) Classification and measurement of financial instruments (continued)**

(ii) Classification and subsequent measurement of financial assets (continued)

Classification of financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the relevant investment should meet the definition of equity instrument from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(7) Classification and measurement of financial instruments (continued)**

(ii) Classification and subsequent measurement of financial assets (continued)

Classification of financial assets (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group considers the contractual terms of the instrument. For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and 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. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the above contractual cash flows characteristics.

Subsequent measurement of financial assets

*Financial assets measured at FVTPL*

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

*Financial assets measured at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, amortised or impaired.

*Debt instruments measured at FVTOCI*

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

*Equity instruments measured at FVTOCI*

These assets are subsequently measured at fair value. Dividend income is recognised in profit or loss for the period. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(7) Classification and measurement of financial instruments (continued)**

(iii) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL and other financial liabilities.

*Financial liabilities measured at FVTPL*

A financial liability is classified as measured at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

A financial liability may be designated as at FVTPL upon initial recognition if:

- (1) such designation eliminates or significantly reduces accounting mismatch;
- (2) the Group makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis;
- (3) the qualified hybrid contract that contains embedded derivatives.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses (including any interest expense) are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

For the financial liabilities measured at FVTPL, the gains and losses from changes in fair value of the financial liability arising from changes in the Group's own credit risk are included in other comprehensive income; other changes in fair value of the financial liabilities are recognised in profit or loss for the period. If the treatment of the impact of changes in the financial liabilities' own credit risk will create or enlarge the accounting mismatch in profit or loss, the Group shall recognise the entire gains or losses of the financial liabilities (including the amount of the impact of changes in its own credit risk) in profit and loss. When these liabilities are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from reserve to retained earnings.

*Other financial liabilities*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(7) Classification and measurement of financial instruments (continued)**

(iv) Financial instruments reclassification

The Group will reclassify all related financial assets when it changes its business model for managing financial assets, and the reclassification applies prospectively from the reclassification date (the first day of the first reporting period following the change in business model).

**(8) Trade date accounting**

All regular way purchases and sales of financial assets are recognised at the trade date, which is the date that the Group commits to purchase or sell the assets. A regular way purchase or sale is the purchase or sale of financial assets that requires delivery of assets within the time frame generally established by regulation or convention in the marketplace.

**(9) Presentation of financial instruments**

Financial assets and financial liabilities are generally presented separately in the statement of financial position and shall not be offset. However, a financial asset and a financial liability are offset and the net amount is presented in the statement of financial position when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts; and
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(10) Impairment of financial assets**

The Group recognises loss allowances for expected credit loss (“ECL”) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVTOCI; and
- loan commitments and financial guarantee contracts.

Financial assets measured at fair value, including debt or equity instruments measured at FVTPL, equity instruments designated as at FVTOCI and derivative financial assets, are not subject to ECL assessment.

Measurement of ECL

ECL is a probability-weighted amount of credit losses on financial instruments that is determined with the respective risks of default occurring as the weight. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between all cash flows discounted at effective interest rates and receivable in accordance with the contract and all cash flows that the Group expects to receive).

The Group’s method of measuring ECL of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; and (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

The maximum period considered when estimating ECL is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECL is the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL is the portion of ECL that result from default events that are possible within the 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months).

The Group classifies financial instruments into the following three stages and provides provisions for ECL accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 4. Summary of Material Accounting Policy Information (continued)

#### (10) Impairment of financial assets (continued)

##### Measurement of ECL (continued)

Stage 1: A financial instrument of which the credit risk has not significantly increased since initial recognition. The amount that equals to 12-month ECL is recognised as loss allowance.

Stage 2: A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount that equals to lifetime ECL is recognised as loss allowance. Refer to Note 50(a) credit risk for the description of how the Group determines when a significant increase in credit risk has occurred.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount that equals to lifetime ECL is recognised as loss allowance. Refer to Note 50(a) credit risk for the definition of credit-impaired financial assets.

##### Presentation of allowance for ECL

ECL is re-measured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises impairment gains or losses for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through allowance for impairment loss. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income, which does not decrease the carrying amount of the financial assets. The Group recognises loss allowance for loan commitments and financial guarantee contracts through other liabilities (provisions for credit commitments).

##### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**Industrial and Commercial Bank of China Limited**  
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*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(11) Modification of financial assets contracts**

In some cases (such as rescheduled loans), the Group may renegotiate or otherwise modify the financial assets contracts. The Group would assess whether or not the new contractual terms are substantially different to the original terms. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset under the revised terms. If the renegotiation or modification does not result in derecognition, but leads to changes in contractual cash flows, when assessing whether a significant increase in credit risk has occurred, the Group compares the risk of a default occurring under the revised terms as at the end of the reporting period with that as at the date of initial recognition under original terms.

**(12) Derecognition of financial assets and liabilities**

Derecognition of financial assets

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where the Group has transferred its rights to receive cash flows from an asset or has retained its rights to receive cash flows from the asset but assumed the obligation to pay those cash flows to the eventual recipients and meanwhile meet the conditions of the transfer of financial assets, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(12) Derecognition of financial assets and liabilities (continued)**

Derecognition of financial assets (continued)

*Securitisation*

As part of its operational activities, the Group securitises credit assets. When a securitisation of financial assets does not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration paid by third parties are recorded as a financial liability; When a financial asset is transferred, and if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset. Gains or losses on securitisation are the difference between the carrying amount of the derecognised financial assets and the consideration received which is recognised in profit or loss.

*Sales of assets on condition of repurchase*

The derecognition of financial assets sold on condition of repurchase is determined by the economic substance of the transaction. If a financial asset is sold under an agreement to repurchase the same or substantially the same asset at a fixed price or at the sale price plus a reasonable return, the Group will not derecognise the asset. If a financial asset is sold together with an option to repurchase the financial asset at its fair value at the time of repurchase, the Group will derecognise the financial asset.

Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(13) Derivatives and hedge accounting**

Derivatives

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

If the host contract included in the hybrid contract is a financial asset, the embedded derivative is no longer split from the main contract of the financial asset, and the hybrid financial instrument as a whole is related to the classification of the financial asset provision. If the host contract included in the hybrid contract is not a financial asset, when the embedded derivative's economic characteristics and risks are not closely related to those of the host contract, those separate instruments with the same terms as the embedded derivative would meet the definition of a derivative, and the hybrid instrument is not carried at FVTPL, derivatives embedded in other financial instruments should be split from the hybrid contract and treated as separate derivatives. These embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss.

Any changes in fair value on derivative financial instruments that are not designated as hedging instruments and do not meet the requirements for hedging instruments, including those intended to hedge specific interest rate and exchange rate risks but do not qualify for hedging accounting, are taken directly to profit or loss.

For less complex derivative products, the fair values are principally determined by valuation models which are commonly used by market participants. Inputs to valuation models are determined from observable market data wherever possible, including foreign exchange spot and forward rates and interest rate yield curves. For more complex derivative products, the fair values are mainly determined by quoted prices from dealers.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(13) Derivatives and hedge accounting (continued)**

Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedging instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. 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 would rebalance the hedging relationship.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss.

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVTOCI. For fair value hedges, the carrying amount of the hedged item not already measured at fair value is adjusted for the gain or loss attributable to the risk being hedged and is taken to profit or loss or other comprehensive income. The gains or losses for hedging instrument re-measured at fair value are taken to profit or loss or other comprehensive income.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(13) Derivatives and hedge accounting (continued)**

Fair value hedges (continued)

When the hedged item in a fair value hedge is measured at amortised cost, any hedge adjustment to its carrying amount is amortised to profit or loss. The amortisation is based on a recalculated effective interest rate at the date when amortisation begins.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised adjustment to carrying amount is recorded in profit or loss.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gains or losses existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 4. Summary of Material Accounting Policy Information (continued)

#### (13) Derivatives and hedge accounting (continued)

##### Net investment hedges

A net investment hedge is a hedge of the currency risk of a net investment in a foreign institution 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 in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gains or losses on the disposal.

#### (14) Repurchase and reverse repurchase transactions (including securities borrowing and lending)

Assets sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the statement of financial position. The corresponding cash received, including accrued interest, is recognised on the statement of financial position as a “repurchase agreement”. The difference between the sale and repurchase prices is treated as an interest expense and is amortised over the life of the agreement using the effective interest method.

Conversely, assets purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised on the statement of financial position. The corresponding cash paid, including accrued interest, is recognised on the statement of financial position as a “reverse repurchase agreement”.

According to the policy of classification of financial assets, the reverse repurchase agreements held by the Group were divided into different classifications according to the entity’s business model for managing the financial instruments and the contractual cash flow characteristics of the assets: financial assets measured at amortised cost and financial assets measured at FVTPL. The difference between the purchase and resale prices of reverse repurchase agreements measured at amortised cost is treated as an interest income and is amortised over the life of the agreement using the effective interest method.

Securities borrowing and lending transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the statement of financial position, unless they are then sold to third parties, in which case the obligation to return the securities is recorded as a financial liability held for trading and measured at fair value with any gains or losses included in profit or loss.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(15) Insurance contracts**

Identification of insurance contracts

The Group is exposed to insurance risk due to the issuance of insurance contracts. Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer. The Group assesses the significance of insurance risk contract by contract. A contract is an insurance contract only if it transfers significant insurance risk. A contract that is assessed as meeting the definition of an insurance contract at the contract commencement date will not be re-assessed subsequently. An insurance contract shall be derecognized if the obligations under such contract are discharged due to fulfilment, cancellation or expiration.

Grouping of contracts

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group further divides portfolios of insurance contracts into groups of insurance contracts, which are taken as the unit of measurement. Insurance contracts issued less than one year apart and having similar expected profitability are included in the same group.

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss is caused by contracts added to the group of onerous contracts, the Group recognizes a loss as insurance service expenses.

Except for groups of onerous contracts, the Group reasonably determines the coverage units of contract groups for each accounting period of the coverage period based on the modes to provide insurance contract services and allocates the carrying amount of contract service margin as the insurance revenue for the current and subsequent periods.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(15) Insurance contracts (continued)**

Recognition and measurement of insurance contracts

On initial recognition, the Group measures a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin, and recognises an insurance contract liability. Contractual service margin represents the unearned profit the Group will recognise as it provides services under insurance contracts in the future. The fulfilment cash flows comprise estimates of future cash flows directly attributable to fulfilling insurance contracts, an adjustment to reflect the time value of money and the financial risks and a risk adjustment for non-financial risk. An Group's own non-performance risk is not taken into account in estimating the fulfilment cash flows. Risk adjustment for non-financial risk represents the compensation the Group requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

The Group measures insurance contracts with the general model, applying the variable fee approach or premium allocation approach, and subsequently measures the insurance contract liabilities at the end of the reporting period at the sum of the liability for remaining coverage and the liability for incurred claims. The Group recognises the reduction in the liability for remaining coverage because of services provided in the period as insurance revenue. The Group recognises the increase in the liability for incurred claims because of claims and expenses incurred in the period and any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses as insurance service expenses. The Group allocates insurance acquisition cash flows to each accounting period of the coverage period as insurance revenue and recognises the same amount as insurance service expenses.

The Group recognises the change in the liability for remaining coverage and the liability for incurred claims because of the effect of the time value of money and the effect of financial risk as financial changes of insurance contracts. The Group elects to disaggregate financial changes of insurance contracts and include such changes in insurance finance income or expenses for the period and other comprehensive income.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 4. Summary of Material Accounting Policy Information (continued)

#### (16) Leases

A lease is when the lessor conveys the right to control the use of an asset for a period of time in exchange for the consideration of the lessee.

At inception of a contract, the Group assesses whether a 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.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly in a contract and should be physically distinct, or a capacity portion or other portion of an asset that is not physically distinct but represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more than one separate lease component, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. However, for the leases in which the Group is a lessee, the Group has elected not to separate lease components from non-lease components and accounts for the lease and non-lease components as a single lease component.

#### (i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 4. Summary of Material Accounting Policy Information (continued)

#### (16) Leases (continued)

##### (i) As a lessee (continued)

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 4(23).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. Each institution of the Group uses an interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment as the incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group re-measures lease liabilities based on the present value of revised lease payments:

- there is a change in the in-substance fixed lease payments;
- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

**Industrial and Commercial Bank of China Limited**  
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*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(16) Leases (continued)**

(i) As a lessee (continued)

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and does not contain any purchase option and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If the head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The impairment and derecognition of the finance lease receivable are recognised in accordance with the accounting policy in Notes 4(10) and 4(12). Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(16) Leases (continued)**

(ii) As a lessor (continued)

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

**(17) Financial guarantee contracts**

The Group issues financial guarantee contracts, including letters of credit, letters of guarantee and acceptance. These financial guarantee contracts provide for specified payments to be made to reimburse the holders for the losses they incur when a guaranteed party defaults under the original or modified terms of a debt instrument, loan or any other obligation.

The Group initially measures all financial contracts at fair value, in other liabilities, being the premium received. This amount is recognised ratably over the period of the contract as fee and commission income. Subsequently, the liabilities are measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments and the amount initially recognised less the cumulative amount of income. Any increase in the liability relating to a financial guarantee is taken to the statement of profit or loss.

**(18) Fiduciary activities**

When the Group acts in a fiduciary capacity such as custodian or agent, assets arising thereon together with related undertakings to return such assets to customers are excluded from the statement of financial position.

The asset custody services of the Group refer to the business that the Group as trustee approved by regulatory authorities, signs custody agreement with clients and takes the responsibility of trustee in accordance with relevant laws and regulations. The assets under custody are not recorded on the statement of financial position as the Group merely fulfils the responsibility as trustee and charges fees in accordance with these agreements without retaining any risks or rewards of the assets under custody.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **4. Summary of Material Accounting Policy Information (continued)**

#### **(18) Fiduciary activities (continued)**

The Group grants entrusted loans on behalf of trustors, which are recorded off-balance sheet. The Group, as a trustee, grants such entrusted loans to borrowers under the direction of those trustors who fund these loans. The Group has been contracted by those trustors to manage the administration and collection of these loans on their behalf. Those trustors determine both the underwriting criteria for and the terms of all entrusted loans including their purposes, amounts, interest rates, and repayment schedules. The Group charges a commission related to its activities in connection with entrusted loans which are recognised ratably over the period in which the service is provided. The risk of loss is borne by those trustors.

#### **(19) Precious metals**

Precious metals comprise gold, silver and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the statement of profit or loss.

The Group records the precious metals received as an asset. A liability to return the amount of precious metals deposited is also recognised. The precious metals deposited with the Group are measured at fair value both on initial recognition and in subsequent measurement.

#### **(20) Property and equipment**

Property and equipment, other than construction in progress are stated at costs less accumulated depreciation and any impairment loss. The cost of an item of property and equipment comprises its purchase price, tax and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement.

Construction in progress comprises the direct costs of construction during the period of construction and is not depreciated. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 4. Summary of Material Accounting Policy Information (continued)

#### (20) Property and equipment (continued)

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment, less any estimated residual value, over the estimated useful life. The estimated useful life, estimated residual value rate and the annual depreciation rate of each item of property and equipment (excluding aircraft and vessels) are as follows:

	<b>Estimated useful life</b>	<b>Estimated residual value rate</b>	<b>Annual depreciation rate</b>
Properties and buildings	5-50 years	0%-3%	1.94%-20%
Office equipment and motor vehicles (excluding aircraft and vessels)	2-7 years	–	14.29%-50%
Leasehold improvements		The shorter of the economic useful lives and remaining lease terms	

Equipment under operating leases where the Group is the lessor contains aircraft, aircraft engines and vessels. The estimated useful lives and depreciation methods are determined according to the conditions of individual aircraft and vessel. The estimated residual values are assessed by an independent appraiser based on historical data. The estimated useful lives range from 15 to 25 years.

For an impaired fixed asset, the depreciation is calculated based on the carrying value less the cumulative impairment loss.

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **4. Summary of Material Accounting Policy Information (continued)**

#### **(21) Land use rights**

Land use rights are recognised at cost, being the fair value at the time of injection from the central government of the PRC (the “Government”) during the Group’s restructuring or the consideration paid. The rights are amortised using the straight-line method over the periods of the leases. When the prepaid land lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the costs of properties and buildings as finance leases in property and equipment.

#### **(22) Repossessed assets**

Repossessed assets are initially recognised at fair value of assets not retained plus related costs, and are subsequently measured at the lower of the carrying value and net recoverable amount. If the recoverable amount is lower than the carrying value of the repossessed assets, the assets are written down to the recoverable amount.

#### **(23) Non-financial asset impairment**

The Group assesses at the end of each reporting period whether there is any indication that property and equipment, land use rights, right-of-use assets, associates and joint ventures and other non-financial assets may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined on an individual basis, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs. Where the gross carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing value in use of an asset, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 4. Summary of Material Accounting Policy Information (continued)

#### (23) Non-financial asset impairment (continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss except for goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of any depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Any such reversal is recognised in profit or loss. After such a reversal, the depreciation or amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### (24) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. When the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. When determining the best estimate, the Group considers factors pertaining to a contingency such as risks, uncertainties and time value of money. Where there is a range of possible outcome, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- where the contingency involves a single item, the best estimate is the most likely outcome;
- where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the end of reporting period. The carrying amount is adjusted to the current best estimate.



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(25) 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. Contingent liabilities are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognised as a provision.

**(26) Preference shares and perpetual bonds**

At initial recognition, the Group classifies the preference shares, perpetual bonds issued or their components as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Preference shares and perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instrument's duration is treated as profit appropriation. When the preference shares and perpetual bonds are redeemed according to the contractual terms, the redeemed amount is charged to equity.

**(27) Cash and cash equivalents**

Cash and cash equivalents refer to monetary assets, which are short-term, highly liquid, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash, unrestricted balances with central banks, amounts due from banks and other financial institutions and reverse repurchase agreements with original maturity of less than three months.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(28) Revenue recognition**

Interest income

For all financial instruments measured at amortised cost and interest-generating financial instruments classified as financial assets measured at FVTOCI, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, where appropriate, to the gross carrying amount of the financial asset, or the amortised cost of financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is recognised as interest income, except for:

- (i) purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit adjusted effective interest rate to their amortised cost; and
- (ii) purchased or originated financial assets that are not credit-impaired but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision). If, in a subsequent period, the financial assets quality improve so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income recognised by the Group reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to customers, and income is recognised when its performance obligation in contracts is satisfied.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(28) Revenue recognition (continued)**

Fee and commission income (continued)

- (i) The Group recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:
- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
  - the customer controls the service provided by the Group in the course of performance; or
  - the Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.
- (ii) In other cases, the Group recognises revenue at a point in time at which a customer obtains control of the promised services.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, it is probable that the related economic benefits will flow to the Group and the related income can be reliably measured.

**(29) Employee benefits**

Employee benefits refer to all forms of consideration and other related expenditure given by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered services to the Group. If the effect of discounting the benefits payable which are payable after one year from the end of the reporting period is significant, the Group will present them at their present value.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(29) Employee benefits (continued)**

Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

All eligible employees outside Chinese mainland participate in local defined contribution schemes. The Group contributes to these defined contribution schemes based on the requirements of the local regulatory bodies and charge to profit or loss or included in the cost of assets where appropriate.

Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance and unemployment insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the organisations. Basic pension insurance and unemployment insurance contributions are recognised as liabilities with a corresponding charge to profit or loss or included in the cost of assets where appropriate as the related services are rendered by the employees.

In addition, employees in Chinese mainland also participate in defined contribution retirement benefit plans established by the Group (the “Annuity Plan”). The Group and its employees are required to contribute a certain percentage of the employees’ previous year basic salaries to the Annuity Plan. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits. The contribution is charged to profit or loss when it is incurred.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 4. Summary of Material Accounting Policy Information (continued)

#### (29) Employee benefits (continued)

##### Termination benefits

Termination benefits are payable as a result of either the Group's decision to terminate an employee's employment before the due date of labour contract or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits in profit or loss at the earlier of:

- when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal; and
- when the Group has a specific, formal restructure plan involving payment of termination benefits, and the plan has started or informed each affected party about the influence of the plan, therefore each party formed reasonable expectations.

##### Early retirement benefits

According to the Bank's policy on early retirement benefits, certain employees are entitled to take leave of absence and in return receive a certain level of staff salaries and related benefits from the Bank. The salaries and benefit payments are made from the date of early retirement to the normal retirement date. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss.

#### (30) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except that it relates to items recognised directly in equity, in which case it is recognised in equity.

##### Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of each reporting period.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(30) Income tax (continued)**

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) where the taxable temporary difference arises from the initial recognition of goodwill;
- (ii) where the taxable temporary difference arises from the initial recognition of assets and liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income (or deductible expenses), and such transaction does not give rise to equivalent taxable temporary differences and deductible temporary differences.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax liabilities are recognised except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except that deferred tax assets are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction and that:

- (i) transaction is not a business combination;
- (ii) at the time of the transaction, it affects neither the accounting profit nor taxable income (or deductible expenses);
- (iii) such transaction does not give rise to equivalent taxable temporary differences and deductible temporary differences.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**4. Summary of Material Accounting Policy Information (continued)**

**(30) Income tax (continued)**

Deferred tax (continued)

In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, and reflect the corresponding tax effect.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(31) Dividends**

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. A dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.



# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **5. Significant Accounting Judgements and Estimates**

In the process of applying the Group's accounting policies, management is required to make judgements, estimates and assumptions of the effects of uncertain future events on the financial statements. The most significant use of judgements, estimates and assumptions concerning the uncertainty of the future at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

#### **Measurement of the ECL**

The measurement of the ECL allowance for financial assets measured at amortised cost and FVTOCI, and with exposure arising from loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses). Refer to Note 50(a) credit risk for the explanation of the parameters, assumptions and estimation techniques used in measuring ECL.

#### **Income tax**

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

#### **Fair value of financial instruments**

If the market for a financial instrument is not active, the Group determines the fair value by using valuation technique, including using recent arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Valuation technique makes maximum use of observable market input. However, where observable market inputs are not available, management makes estimates on such unobservable market inputs.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 5. Significant Accounting Judgements and Estimates (continued)

#### **Determination of control over investees**

Management applies its judgement to determine whether the control indicators set out in Note 4(2) indicate that the Group controls securitisation vehicles, wealth management products, investment funds, trust plans, asset management plans and asset-backed securities.

#### Securitisation vehicles

Certain securitisation vehicles sponsored by the Group under its securitisation programme are run according to predetermined criteria at the initial set up of the vehicles. In addition, the Group is exposed to variability of returns from the vehicles through holding interests in the vehicles and the day-to-day servicing of the underlying assets in the vehicles which is carried out by the Group under a servicing contract. Key decisions are usually required only when underlying assets go into default. Therefore, in considering whether it has control, the Group considers whether it can use its power to influence these vehicles' returns.

#### Wealth management products, investment funds, trust plans, asset management plans and asset-backed securities

The Group acts as manager or investor in a number of wealth management products, investment funds, trust plans, asset management plans and assets-backed securities. When assessing whether the Group controls such a structured entity, the Group would determine whether it exercises the decision-making rights as a principal or an agent and usually focuses on the assessment of the aggregate economic interests of the Group in the entity (comprising any carried interests and expected management fees) and the decision-making authority of the entity. The Group would also determine whether another entity with decision-making rights is acting as an agent for it.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**6. Net Interest Income**

	<b>2024</b>	2023
Interest income on:		
Loans and advances to customers	<b>937,938</b>	951,845
Corporate loans and advances	<b>599,296</b>	581,117
Personal loans	<b>319,897</b>	353,039
Discounted bills	<b>18,745</b>	17,689
Financial investments	<b>365,208</b>	338,267
Due from central banks	<b>54,174</b>	53,815
Due from banks and other financial institutions (i)	<b>70,628</b>	61,112
	<u><b>1,427,948</b></u>	<u>1,405,039</u>
Interest expense on:		
Due to customers	<b>(564,039)</b>	(589,688)
Due to banks and other financial institutions (ii)	<b>(156,622)</b>	(103,529)
Debt securities issued and certificates of deposit	<b>(69,882)</b>	(56,809)
	<u><b>(790,543)</b></u>	<u>(750,026)</u>
Net interest income	<u><b>637,405</b></u>	<u>655,013</u>

(i) Includes interest income on reverse repurchase agreements.

(ii) Includes interest expense on due to central banks and repurchase agreements.

The above interest income and expense are related to financial instruments which are not measured at fair value through profit or loss.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 7. Net Fee and Commission Income

	2024	2023
Fee and commission income on:		
Settlement, clearing business and cash management	42,755	45,418
Investment banking business	19,724	20,060
Personal wealth management and private banking services	17,880	22,582
Bank card business	17,853	17,906
Corporate wealth management services	10,850	11,770
Asset custody business	8,045	7,994
Guarantee and commitment business	4,185	7,296
Trust and agency services	2,019	1,950
Others	2,866	2,915
	<u>126,177</u>	<u>137,891</u>
Fee and commission expense	<u>(16,780)</u>	<u>(18,534)</u>
Net fee and commission income	<u><u>109,397</u></u>	<u><u>119,357</u></u>

Included in personal wealth management and private banking services, corporate wealth management services, asset custody business and trust and agency services above is an amount of RMB15,850 million with respect to trust and other fiduciary activities for 2024 (2023: RMB17,179 million).

### 8. Net Trading Income

	2024	2023
Debt securities	13,644	12,063
Derivatives and others	4,293	4,421
Equity investments	1,503	(1,556)
	<u>19,440</u>	<u>14,928</u>

The above amounts mainly include gains and losses arising from the buying and selling of, the interest income and expense on, and the changes in fair value of financial assets and liabilities held for trading.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 9. Net Gains on Financial Investments

	2024	2023
Net gains on financial instruments measured at FVTPL, including:		
Net losses on financial instruments designated as at FVTPL	<b>13,893</b>	10,496
Net gains on disposal of financial instruments measured at FVTOCI	<b>(5,087)</b>	(4,163)
Dividend income from equity investments designated as at FVTOCI, including:		
Derecognised during the year	<b>2,490</b>	3,788
Held at the end of current year	<b>3,067</b>	4,020
Net gains on disposal of financial instruments measured at amortised cost	<b>914</b>	884
Others	<b>2,153</b>	3,136
	<b>3,446</b>	2,596
	<b>65</b>	660
	<b>22,961</b>	21,560

### 10. Other Operating Expense, Net

	2024	2023
Net operating lease business income	<b>10,840</b>	10,684
Net insurance business expense	<b>(7,606)</b>	(9,028)
Net gains on disposal of property and equipment, repossessed assets and other assets	<b>1,352</b>	1,925
Net losses from foreign exchange and foreign exchange products	<b>(6,911)</b>	(7,785)
Others	<b>(752)</b>	(196)
	<b>(3,077)</b>	(4,400)

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**11. Operating Expenses**

	2024	2023
Staff costs:		
Salaries and bonuses	93,872	93,496
Staff benefits	30,941	29,422
Post-employment benefits – defined contribution plans (i)	19,741	18,487
	<u>144,554</u>	<u>141,405</u>
Property and equipment expenses:		
Depreciation charge for property and equipment	15,250	15,995
Depreciation charge for right-of-use assets and other leasing expense	7,182	7,479
Repairs and maintenance charges	2,724	2,955
Utility expenses	2,118	2,105
	<u>27,274</u>	<u>28,534</u>
Amortisation	5,157	4,429
Other administrative expenses (ii)	28,705	29,442
Taxes and surcharges	10,765	10,662
Others	25,700	24,226
	<u>242,155</u>	<u>238,698</u>

- (i) The defined contribution plans mainly include pension insurance, unemployment insurance and the annuity plan.
- (ii) The principal auditor's remuneration of RMB195 million for the year (2023: RMB192 million) is included in other administrative expenses.
- (iii) In 2024, the Group incurred RMB5,697 million (2023: RMB4,593 million) of expensed research and development expenditures and RMB2,249 million (2023: RMB1,590 million) of capitalized research and development expenditures.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 12. Directors' and Supervisors' Remuneration

Details of the directors' and supervisors' remuneration before tax, as disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance, are as follows:

Name	Position	Year ended 31 December 2024			Total remuneration before tax RMB'000 (4)=(1)+(2)+(3)
		Remuneration before tax paid RMB'000 (1)	Contribution by the employer to social insurance, housing allowance, annuities, and additional medical insurances RMB'000 (2)	Fees RMB'000 (3)	
Liao Lin (i)	Chairman, Executive Director	673	235	–	908
Liu Jun (ii)	Vice Chairman, Executive Director, President	448	159	–	607
Wang Jingwu	Executive Director, Senior Executive Vice President, Chief Risk Officer	605	229	–	834
Lu Yongzhen	Non-executive Director	–	–	–	–
Feng Weidong	Non-executive Director	–	–	–	–
Cao Liqun	Non-executive Director	–	–	–	–
Chen Yifang	Non-executive Director	–	–	–	–
Dong Yang	Non-executive Director	–	–	–	–
Zhong Mantao (iii)	Non-executive Director	–	–	–	–
Fred Zulu Hu	Independent Non-executive Director	–	–	440	440
Norman Chan Tak Lam	Independent Non-executive Director	–	–	503	503
Herbert Walter (iv)	Independent Non-executive Director	–	–	377	377
Murray Horn (v)	Independent Non-executive Director	–	–	208	208
Chen Guanting (vi)	Independent Non-executive Director	–	–	37	37
Li Weiping (vii)	Independent Non-executive Director	–	–	–	–
Huang Li	Employee Supervisor	–	–	50	50
Zhang Jie	External Supervisor	–	–	250	250
Liu Lanbiao	External Supervisor	–	–	250	250
Chen Siqing (viii)	Former Chairman, Executive Director	56	19	–	75
Anthony Francis Neoh (ix)	Former Independent Non-executive Director	–	–	130	130
Yang Siu Shun (x)	Former Independent Non-executive Director	–	–	313	313
Shen Si (xi)	Former Independent Non-executive Director	–	–	449	449
<b>Total</b>		<b>1,782</b>	<b>642</b>	<b>3,007</b>	<b>5,431</b>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 12. Directors' and Supervisors' Remuneration (continued)

Note: Since January 2015, the remuneration of the Chairman of the Board of Directors, the President and other executives of the Bank has followed the State's policies relating to the remuneration reform on executives of central enterprises.

The total compensation packages for the Chairman of the Board of Directors, President and Executive Directors of the Bank have not been finalized in accordance with the regulations of the PRC relevant authorities. The remuneration not yet accrued is not expected to have a significant impact on the Group's 2024 consolidated financial statements. The total compensation packages will be further disclosed when determined by the relevant authorities.

Fees of Mr. Huang Li are his allowances obtained as Employee Supervisor of the Bank, excluding his remuneration with the Bank in accordance with the employee remuneration system.

As at the approval date of the consolidated financial statements for the year ended 31 December 2024, changes of directors of the Bank were as follows:

- (i) In February 2024, Mr. Liao Lin resigned from the position of President of the Bank due to change of job assignments. In order to ensure the smooth operation and management of the Bank, Mr. Liao Lin performs the duties and powers of the President to the date on which the new President of the Bank officially takes office according to the regulation and the Articles of Association of the Bank. On 1 February 2024, the Board of Directors of the Bank elected Mr. Liao Lin as Chairman of the Board of Directors of the Bank, and his qualification was approved by the NFRA in February 2024.
- (ii) On 22 May 2024, the Board of Directors of the Bank elected Mr. Liu Jun as Vice Chairman of the Board of Directors of the Bank, which took effect upon his appointment as Executive Director of the Bank being considered and approved by the Bank's Annual General Meeting for the Year 2023 on 28 June 2024; On 22 May 2024, the Board of Directors of the Bank appointed Mr. Liu Jun as President of the Bank, and his appointment took effect upon the consideration and approval by the Board of Directors; At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Mr. Liu Jun was elected as Executive Director of the Bank, and his term of office as Executive Director started from the date of approval by the Shareholders' General Meeting.
- (iii) At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Ms. Zhong Mantao was elected as Non-executive Director of the Bank, and her qualification was approved by the NFRA in September 2024.
- (iv) At the First Extraordinary General Meeting of 2023 held on 30 November 2023, Mr. Herbert Walter was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in March 2024.
- (v) On 29 February 2024, the First Extraordinary General Meeting of 2024 of the Bank elected Mr. Murray Horn as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in August 2024.
- (vi) On 20 September 2024, the Second Extraordinary General Meeting of 2024 of the Bank elected Mr. Chen Guanting as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in November 2024.
- (vii) On 2 December 2024, the Third Extraordinary General Meeting of 2024 of the Bank elected Mr. Li Weiping as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in February 2025.
- (viii) In February 2024, Mr. Chen Siqing ceased to act as Chairman of the Board of Directors and Executive Director of the Bank due to his age.
- (ix) In March 2024, Mr. Anthony Francis Neoh ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.
- (x) In August 2024, Mr. Yang Siu Shun ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.
- (xi) In November 2024, Mr. Shen Si ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**12. Directors' and Supervisors' Remuneration (continued)**

		Year ended 31 December 2023						
Name	Position	Fees RMB'000 (1)	Remuneration RMB'000 (2)	Discretionary bonuses RMB'000 (3)	Contribution by the employer to social insurance, housing allowance, annuities and additional medical insurances RMB'000 (4)	Total emoluments before tax RMB'000 (5)=(1)+(2)+(3)+(4)	Of which: deferred payment RMB'000 (6)	Actual
								amount of remuneration before tax paid RMB'000 (7)=(5)-(6)
Liao Lin (i)	Chairman, Executive Director	-	384	531	227	1,142	-	1,142
Wang Jingwu	Executive Director, Senior Executive Vice President, Chief Risk Officer	-	346	477	220	1,043	-	1,043
Lu Yongzhen	Non-executive Director	-	-	-	-	-	-	-
Feng Weidong	Non-executive Director	-	-	-	-	-	-	-
Cao Liquan	Non-executive Director	-	-	-	-	-	-	-
Chen Yifang	Non-executive Director	-	-	-	-	-	-	-
Dong Yang	Non-executive Director	-	-	-	-	-	-	-
Yang Siu Shun	Independent Non-executive Director	470	-	-	-	470	-	470
Shen Si	Independent Non-executive Director	490	-	-	-	490	-	490
Fred Zulu Hu	Independent Non-executive Director	440	-	-	-	440	-	440
Norman Chan Tak Lam	Independent Non-executive Director	420	-	-	-	420	-	420
Herbert Walter (ii)	Independent Non-executive Director	-	-	-	-	-	-	-
Huang Li	Employee Supervisor	50	-	-	-	50	-	50
Zhang Jie	External Supervisor	250	-	-	-	250	-	250
Liu Lanbiao	External Supervisor	250	-	-	-	250	-	250
Chen Siqing (iii)	Former Chairman, Executive Director	-	384	531	227	1,142	-	1,142
Zheng Guoyu (iv)	Former Executive Director, Senior Executive Vice President	-	86	119	54	259	-	259
Anthony Francis Neoh (v)	Former Independent Non-executive Director	520	-	-	-	520	-	520
Wu Xiangjiang (vi)	Former Employee Supervisor	-	-	-	-	-	-	-
<b>Total</b>		<u>2,890</u>	<u>1,200</u>	<u>1,658</u>	<u>728</u>	<u>6,476</u>	<u>-</u>	<u>6,476</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 12. Directors' and Supervisors' Remuneration (continued)

Note: Since January 2015, the remuneration of the Chairman of the Board of Directors, the President and other executives of the Bank has followed the State Government's policies relating to the remuneration reform on executives of central enterprises.

The remuneration before tax of Directors and Supervisors for 2023 set out in the table above represents the total amount of annual remuneration for each of these individuals, which include the amounts disclosed in the 2023 Annual Report.

Pursuant to the PRC relevant regulations, a portion of the discretionary bonus payments for the Chairman of the Board of Directors, the President, Executive Directors and other senior management members are deferred and will be determined based on the future performance.

Fees of Mr. Huang Li are his allowances obtained as Employee Supervisors of the Bank, excluding his remuneration with the Bank in accordance with the employee remuneration system.

As at the approval date of the consolidated financial statements for the year ended 31 December 2023, changes of directors and supervisors of the Bank were as follows:

- (i) In February 2024, Mr. Liao Lin resigned as President of the Bank due to adjustment of job assignments. In order to ensure the normal operation and management of the Bank, Mr. Liao Lin performs the functions and powers of the President on behalf of the Bank in accordance with regulatory requirements and the Articles of Association of the Bank, and the period for performing the duties on behalf of the President will end on the date when the new President formally takes office. On 1 February 2024, the Board of Directors of the Bank elected Mr. Liao Lin as Chairman of the Board of Directors of the Bank, and his qualification was approved by the NFRA in February 2024.
- (ii) At the First Extraordinary General Meeting of 2023 held on 30 November 2023, Mr. Herbert Walter was elected as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in March 2024.
- (iii) In February 2024, Mr. Chen Siqing ceased to act as Chairman of the Board of Directors and Executive Director of the Bank due to his age.
- (iv) In April 2023, Mr. Zheng Guoyu ceased to act as Executive Director and Senior Executive Vice President of the Bank due to change of job assignments.
- (v) In March 2024, Mr. Anthony Francis Neoh ceased to act as Independent Non-executive Director of the Bank due to expiration of his term of office.
- (vi) In January 2023, Mr. Wu Xiangjiang ceased to act as Employee Supervisor of the Bank due to his age.

The Non-executive Directors of the Bank who were recommended by Huijin received emoluments from Huijin in respect of their services during the year.

In 2024, there was no arrangement under which a Director or a Supervisor of the Bank waived or agreed to waive any remuneration (2023: None).

In 2024, no emolument was paid by the Group to any of the Directors or Supervisors as an inducement to join or upon joining the Group or as a compensation for loss of office (2023: Nil).

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 13. Five Highest Paid Individuals

The five highest paid individuals of the Group are employees of the Bank's subsidiaries. Their emoluments were determined based on the prevailing market rates in the respective countries/regions where the subsidiaries are operating. None of them are directors, supervisors or key management personnel of the Bank whose emoluments are disclosed in Notes 12 and 48(g) to the consolidated financial statements. Details of the emoluments in respect of the five highest paid individuals are as follows:

	2024 RMB'000	2023 RMB'000
Salaries and allowances	20,136	16,672
Discretionary bonuses	38,003	59,475
Others	505	430
	<u>58,644</u>	<u>76,577</u>

The number of these individuals whose emoluments fell within the following bands is set out below:

	<u>Number of employees</u>	
	2024	2023
RMB9,000,001 Yuan to RMB11,000,000 Yuan	2	–
RMB11,000,001 Yuan to RMB13,000,000 Yuan	2	1
RMB13,000,001 Yuan to RMB15,000,000 Yuan	–	1
RMB15,000,001 Yuan to RMB17,000,000 Yuan	1	1
RMB17,000,001 Yuan to RMB19,000,000 Yuan	–	2
	<u>5</u>	<u>5</u>

In 2024, no emolument was paid by the Group to any of these non-director and non-supervisor individuals as an inducement to join or upon joining the Group or as a compensation for loss of office (2023: Nil).

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**14. Credit Impairment Losses**

	<b>2024</b>	2023
Loans and advances to customers (Note 23)	<b>122,479</b>	143,422
Financial investments		
Financial investments measured at amortised cost	<b>(507)</b>	7,389
Financial assets measured at FVTOCI	<b>(675)</b>	568
Credit commitments	<b>690</b>	(3,585)
Others	<b>3,752</b>	1,014
	<u><b>125,739</b></u>	<u>148,808</u>

**15. Income Tax Expense**

**(a) Income tax expense**

	<b>2024</b>	2023
Current income tax expense		
Chinese mainland	<b>47,474</b>	58,651
Hong Kong SAR and Macao SAR	<b>1,389</b>	1,191
Other overseas jurisdictions	<b>4,998</b>	5,211
	<u><b>53,861</b></u>	<u>65,053</u>
Deferred income tax expense	<b>1,020</b>	(8,203)
	<u><b>54,881</b></u>	<u>56,850</u>

In December 2021, the Organisation for Economic Co-operation and Development published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (“Pillar Two Model Rules”). According to the rules of Pillar Two, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact.

Some of jurisdictions where the Group’s overseas entities are located, had implemented Pillar Two legislation during the reporting period. The Group has assessed the impact of Top-up Tax under Pillar Two. The legislation in the aforementioned jurisdictions has no significant impact on the Group’s financial position and operating results as at 31 December 2024. The Group has adopted amendments to IAS 12 on Pillar Two Model Rules. Therefore, the Group does not recognise deferred tax assets and liabilities related to Pillar Two and does not disclose relevant information.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 15. Income Tax Expense (continued)

#### (b) Reconciliation between income tax and accounting profit

PRC statutory income tax rate is 25%. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates in. The Group has reconciled income tax expense applicable to profit before taxation at the PRC statutory income tax rate to actual income tax expense for the Group as follows:

	2024	2023
Profit before taxation	<u>421,827</u>	<u>421,966</u>
Tax at the PRC statutory income tax rate	105,457	105,492
Effects of different applicable rates of tax prevailing in other countries/regions	(672)	(288)
Effects of non-deductible expenses (i)	22,556	19,580
Effects of non-taxable income (ii)	(69,966)	(65,266)
Effects of profits attributable to associates and joint ventures	(270)	(449)
Effects of other	<u>(2,224)</u>	<u>(2,219)</u>
Income tax expense	<u>54,881</u>	<u>56,850</u>

(i) The non-deductible expenses mainly represent non-deductible impairment allowance and write-offs.

(ii) The non-taxable income mainly represents interest income arising from the PRC government bonds and municipal debts.

### 16. Profit Attributable to Equity Holders of the Parent Company

The consolidated profit attributable to equity holders of the parent company for the year ended 31 December 2024 includes a profit of RMB345,454 million (2023: RMB347,516 million) which has been dealt with in the financial statements of the Bank (Note 52).

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**17. Dividends**

	<b>2024</b>	2023
Dividends on ordinary shares declared and paid:		
Interim dividends on ordinary shares for 2024: RMB0.1434 per share	<u><b>51,109</b></u>	<u>–</u>
Dividends on ordinary shares for 2023: RMB0.3064 per share (2022: RMB0.3035 per share)	<u><b>109,203</b></u>	<u>108,169</u>
Dividends or interests declared and paid to other equity instrument holders:		
Dividends on preference shares	<u><b>5,819</b></u>	<u>5,842</u>
Interests on perpetual bonds distributed	<u><b>9,144</b></u>	<u>9,122</u>
	<u><b>14,963</b></u>	<u>14,964</u>
Dividends on ordinary shares proposed for approval (not recognised as at 31 December):		
Year-end dividends on ordinary shares for 2024: RMB0.1646 per share	<u><b>58,664</b></u>	<u>–</u>
Dividends on ordinary shares for 2023: RMB0.3064 per share	<u>–</u>	<u>109,203</u>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 18. Earnings Per Share

	2024	2023
Earnings:		
Profit for the year attributable to equity holders of the parent company	365,863	363,993
Less: Profit for the year attributable to other equity instrument holders of the parent company	<u>(14,963)</u>	<u>(14,964)</u>
Profit for the year attributable to ordinary shareholders of the parent company	<u>350,900</u>	<u>349,029</u>
Shares:		
Weighted average number of ordinary shares in issue (in million shares)	<u>356,407</u>	<u>356,407</u>
Basic earnings per share (RMB yuan)	<u>0.98</u>	<u>0.98</u>
Diluted earnings per share (RMB yuan)	<u>0.98</u>	<u>0.98</u>

Basic and diluted earnings per share were calculated using the profit for the year attributable to ordinary shareholders of the parent company divided by the weighted average number of ordinary shares in issue.

### 19. Cash and Balances with Central Banks

	31 December 2024	31 December 2023
Cash on hand	72,069	66,699
Balances with central banks		
Mandatory reserves (i)	2,634,893	2,832,799
Surplus reserves (ii)	393,112	952,050
Fiscal deposits and others	<u>221,179</u>	<u>188,923</u>
Accrued interest	<u>1,658</u>	<u>1,822</u>
	<u>3,322,911</u>	<u>4,042,293</u>

(i) The Group is required to place mandatory reserve deposits and other restricted deposits with the PBOC and certain central banks of overseas countries or regions where it has operations. They are not available for use in the Group's daily operations. As at 31 December 2024, the mandatory reserve deposits ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were 8% (31 December 2023: 9%) and 4% (31 December 2023: 4%) respectively. The mandatory reserve funds placed by domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.

(ii) Surplus reserves with the PBOC include funds for the purpose of cash settlement and other kinds of unrestricted deposits.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**20. Due from Banks and Other Financial Institutions**

	<b>31 December 2024</b>	31 December 2023
Deposits with banks and other financial institutions:		
Banks operating in Chinese mainland	<b>247,111</b>	221,700
Other financial institutions operating in Chinese mainland	<b>58,112</b>	24,145
Banks and other financial institutions operating outside Chinese mainland	<b>172,465</b>	164,954
Accrued interest	<b>3,777</b>	3,885
	<b>481,465</b>	414,684
Less: Allowance for impairment losses	<b>(700)</b>	(426)
	<b>480,765</b>	414,258
Placements with banks and other financial institutions:		
Banks operating in Chinese mainland	<b>190,427</b>	265,904
Other financial institutions operating in Chinese mainland	<b>221,474</b>	209,164
Banks and other financial institutions operating outside Chinese mainland	<b>323,836</b>	222,934
Accrued interest	<b>7,021</b>	7,591
	<b>742,758</b>	705,593
Less: Allowance for impairment losses	<b>(3,647)</b>	(3,134)
	<b>739,111</b>	702,459
	<b>1,219,876</b>	1,116,717

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments

A derivative is a financial instrument, the value of which changes in response to the changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments including forwards, swaps, options and futures.

The notional amount of a derivative represents the underlying amount of the specific financial instruments mentioned above. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amounts and fair values of derivative financial instruments held by the Group are set out below:

	31 December 2024			31 December 2023		
	Notional amounts	Fair values		Notional amounts	Fair values	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts	11,227,428	194,358	(158,566)	6,015,214	52,830	(41,618)
Interest rate contracts	5,312,282	13,114	(15,019)	4,231,434	15,142	(16,273)
Commodity derivatives and others	1,347,756	14,889	(24,210)	1,003,045	7,367	(18,360)
	<u>17,887,466</u>	<u>222,361</u>	<u>(197,795)</u>	<u>11,249,693</u>	<u>75,339</u>	<u>(76,251)</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments (continued)

#### (a) Cash flow hedges

The Group's cash flow hedges consist of interest rate swap contracts, currency swap contracts, equity and other derivatives that are used to protect against exposures to variability of future cash flows.

Included in the above derivative financial instruments, those designated as hedging instruments in the Group's cash flow hedges are set out below:

	31 December 2024							
	Notional amounts with remaining maturity of					Fair values		
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities	
Interest rate swap contracts	-	949	-	-	949	13	-	
Currency swap contracts	53,203	82,784	4,645	-	140,632	2,213	(1,203)	
Equity and other derivatives	38	1,900	58	1	1,997	258	(3)	
	<u>53,241</u>	<u>85,633</u>	<u>4,703</u>	<u>1</u>	<u>143,578</u>	<u>2,484</u>	<u>(1,206)</u>	
	31 December 2023							
	Notional amounts with remaining maturity of					Fair values		
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities	
Interest rate swap contracts	-	2,417	1,863	-	4,280	99	(6)	
Currency swap contracts	42,935	82,685	4,322	-	129,942	761	(1,052)	
Equity and other derivatives	922	322	82	2	1,328	74	(17)	
	<u>43,857</u>	<u>85,424</u>	<u>6,267</u>	<u>2</u>	<u>135,550</u>	<u>934</u>	<u>(1,075)</u>	

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments (continued)

#### (a) Cash flow hedges (continued)

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equity are as follows:

	31 December 2024			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	1,091	(47,818)	(884)	(291)
Loans and advances to customers	41,479	-	(37)	132
Others (ii)	35,349	(16,733)	(524)	(4,154)
	<u>77,919</u>	<u>(64,551)</u>	<u>(1,445)</u>	<u>(4,313)</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.

(ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, due to customers, repurchase agreements and other liabilities.

	31 December 2023			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Securities (i)	4,733	(27,775)	248	593
Loans and advances to customers	39,997	-	169	169
Others (ii)	30,146	(41,615)	(290)	(3,630)
	<u>74,876</u>	<u>(69,390)</u>	<u>127</u>	<u>(2,868)</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost, debt securities issued and certificates of deposit.

(ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, due to customers and other liabilities.

There was no ineffectiveness recognised in profit or loss that arises from the cash flow hedges in 2024 and 2023.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments (continued)

#### (b) Fair value hedges

Fair value hedges are used by the Group to protect against changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group mainly used interest rate swaps as hedging instruments to hedge the interest risk of financial assets and financial liabilities.

The changes in fair value of the hedging instruments and net gains or losses arising from the hedged risk relating to the hedged items are set out below:

	2024	2023
(Losses)/gains arising from fair value hedges, net:		
Hedging instruments	(533)	1,919
Hedged items	<u>521</u>	<u>(1,988)</u>
	<u>(12)</u>	<u>(69)</u>

Included in the above derivative financial instruments, those designated as hedging instruments in fair value hedges are interest rate swaps and the details are set out below:

	Notional amounts with remaining maturity of				Total	Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years		Assets	Liabilities
31 December 2024	<u>2,362</u>	<u>11,249</u>	<u>34,319</u>	<u>10,692</u>	<u>58,622</u>	<u>2,083</u>	<u>(256)</u>
31 December 2023	<u>2,270</u>	<u>18,042</u>	<u>45,069</u>	<u>17,020</u>	<u>82,401</u>	<u>2,955</u>	<u>(416)</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments (continued)

#### (b) Fair value hedges (continued)

Details of the Group's hedged risk exposures in fair value hedges are set out below:

	31 December 2024			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	50,613	(1,276)	(359)	26
Loans and advances to customers	2,825	-	(56)	-
Others (ii)	182	(2,531)	1	13
	<u>53,620</u>	<u>(3,807)</u>	<u>(414)</u>	<u>39</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.

(ii) Other hedged items are included in due from banks and other financial institutions, due to banks and other financial institutions and due to customers.

	31 December 2023			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Securities (i)	73,809	(1,404)	(703)	62
Loans and advances to customers	3,429	-	(90)	-
Others (ii)	3,267	-	(92)	-
	<u>80,505</u>	<u>(1,404)</u>	<u>(885)</u>	<u>62</u>

(i) Securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.

(ii) Other hedged items are included in due from banks and other financial institutions and repurchase agreements.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 21. Derivative Financial Instruments (continued)

#### (c) Net investment hedges

The Group's consolidated statement of financial position is affected by exchange differences between the functional currency of the Bank and functional currencies of its branches and subsidiaries. The Group hedges such exchange exposures under certain circumstances. Hedging is undertaken by using customer deposits taken in the same currencies as the functional currencies of related branches and subsidiaries which are accounted for as hedges of certain net investments in foreign operations.

As at 31 December 2024, an accumulated net losses from the hedging instrument of RMB1,587 million was recognised in other comprehensive income (31 December 2023: accumulated net losses of RMB1,002 million). There was no ineffectiveness in profit or loss that arises from the net investment hedges in 2024 and 2023.

#### (d) Offsetting of financial instruments

In accordance with the principle of offsetting financial instruments, the Group offsets certain derivative financial assets, derivative financial liabilities and variation margin and presents the net amounts after offsetting in the financial statements.

	31 December 2024		31 December 2023	
	Gross amounts	Net amounts	Gross amounts	Net amounts
Derivative financial assets	<u>83,641</u>	<u>25,144</u>	<u>71,381</u>	<u>24,048</u>
Derivative financial liabilities	<u>83,971</u>	<u>27,845</u>	<u>72,958</u>	<u>26,884</u>

#### (e) Counterparty credit risk-weighted assets of derivative financial instruments

The credit risk-weighted assets in respect of the above derivatives of the Group as at the end of the reporting period are as follows:

	31 December 2024	31 December 2023
Counterparty credit default risk-weighted assets	<b>117,495</b>	86,521
Including: Non-netting settled credit default risk-weighted assets	<b>69,662</b>	48,975
Netting settled credit default risk-weighted assets	<b>47,833</b>	37,546
Credit value adjustment risk-weighted assets	<b>42,112</b>	36,563
Central counterparties credit risk-weighted assets	<b>3,667</b>	4,678
	<u><b>163,274</b></u>	<u>127,762</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**22. Reverse Repurchase Agreements**

	<b>31 December 2024</b>	31 December 2023
Measured at amortised cost:		
Reverse repurchase agreements-bills	<b>188,935</b>	109,077
Reverse repurchase agreements-securities	<b>1,000,277</b>	1,073,854
Accrued interest	<b>721</b>	909
Less: Allowance for impairment losses	<b>(33)</b>	(97)
	<u><b>1,189,900</b></u>	<u>1,183,743</u>
Measured at FVTPL:		
Reverse repurchase agreements-securities and cash advanced as collateral on securities borrowing	<u><b>20,317</b></u>	<u>40,514</u>
	<u><b>1,210,217</b></u>	<u>1,224,257</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**23. Loans and Advances to Customers**

**23.1 Loans and advances to customers by type of measurement:**

	<b>31 December 2024</b>	31 December 2023
<b>Measured at amortised cost:</b>		
Corporate loans and advances	<b>17,460,342</b>	16,128,752
— Loans	<b>17,289,398</b>	15,940,237
— Finance lease	<b>170,944</b>	188,515
Personal loans	<b>8,957,720</b>	8,653,621
Discounted bills	<b>1,351</b>	2,755
Accrued interest	<b>56,447</b>	56,117
	<b><u>26,475,860</u></b>	<u>24,841,245</u>
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost (Note 23.2(a))	<b><u>(815,072)</u></b>	<u>(756,001)</u>
	<b><u>25,660,788</u></b>	<u>24,085,244</u>
<b>Measured at FVTOCI:</b>		
Corporate loans and advances		
— Loans	<b>16,876</b>	10,348
Discounted bills	<b>1,930,935</b>	1,284,902
Accrued interest	<b>177</b>	335
	<b><u>1,947,988</u></b>	<u>1,295,585</u>
<b>Measured at FVTPL:</b>		
Corporate loans and advances		
— Loans	<b>5,005</b>	6,104
	<b><u>27,613,781</u></b>	<u>25,386,933</u>

As at 31 December 2024, the Group's allowance for impairment losses on loans and advances to customers measured at FVTOCI was RMB425 million (31 December 2023: RMB390 million), refer to Note 23.2(b).

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**23. Loans and Advances to Customers (continued)**

**23.2 Allowance for impairment losses on loans and advances**

(a) **Movements of the allowance for impairment losses on loans and advances to customers measured at amortised cost are as follows:**

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	342,730	156,240	257,031	756,001
Transfer:				
– to stage 1	20,221	(16,982)	(3,239)	–
– to stage 2	(11,518)	15,804	(4,286)	–
– to stage 3	(5,101)	(24,282)	29,383	–
Charge for the year	6,808	21,323	94,312	122,443
Write-offs and transfer out	–	–	(85,127)	(85,127)
Recoveries of loans and advances previously written off	–	–	13,856	13,856
Other movements	943	4,399	2,557	7,899
	<u>354,083</u>	<u>156,502</u>	<u>304,487</u>	<u>815,072</u>
Balance at 31 December 2024	<u>354,083</u>	<u>156,502</u>	<u>304,487</u>	<u>815,072</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	278,715	141,586	251,923	672,224
Transfer:				
– to stage 1	46,568	(42,004)	(4,564)	–
– to stage 2	(7,253)	12,411	(5,158)	–
– to stage 3	(2,596)	(44,930)	47,526	–
Charge for the year	27,041	89,529	26,736	143,306
Write-offs and transfer out	–	–	(72,721)	(72,721)
Recoveries of loans and advances previously written off	–	–	14,915	14,915
Other movements	255	(352)	(1,626)	(1,723)
	<u>342,730</u>	<u>156,240</u>	<u>257,031</u>	<u>756,001</u>
Balance at 31 December 2023	<u>342,730</u>	<u>156,240</u>	<u>257,031</u>	<u>756,001</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**23. Loans and Advances to Customers (continued)**

**23.2 Allowance for impairment losses on loans and advances (continued)**

**(b) Movements of the allowance for impairment losses on loans and advances to customers measured at FVTOCI are as follows:**

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	361	–	29	390
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	(4)	4	–	–
– to stage 3	–	–	–	–
(Reverse)/charge for the year	(1)	46	(9)	36
Write-offs and transfer out	–	–	–	–
Other movements	(3)	1	1	(1)
	<u>353</u>	<u>51</u>	<u>21</u>	<u>425</u>
Balance at 31 December 2024				
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	510	–	28	538
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	(46)	–	46	–
(Reverse)/charge for the year	(108)	–	224	116
Write-offs and transfer out	–	–	(270)	(270)
Other movements	5	–	1	6
	<u>361</u>	<u>–</u>	<u>29</u>	<u>390</u>
Balance at 31 December 2023				

In 2024, the changes of gross carrying amounts of loans and advances to customers with a significant impact on the Group's impairment allowance were mainly resulted from the credit business in Chinese mainland, including: the gross carrying amount of domestic branches loans and advances to customers transferred from Stage 1 to Stage 2 was RMB235,494 million (2023: RMB436,289 million); the gross carrying amount of domestic branches loans transferred from Stage 2 to Stage 3 was RMB68,453 million (2023: RMB101,522 million); the gross carrying amount of domestic branches loans transferred from Stage 2 to Stage 1 was RMB78,229 million (2023: RMB223,294 million). The changes of impairment allowance resulting from loans transferred from Stage 1 to Stage 3, Stage 3 to Stage 1 and Stage 3 to Stage 2 were not significant (2023: not significant).

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**24. Financial Investments**

		<b>31 December 2024</b>	31 December 2023
Financial investments measured at FVTPL	(a)	<b>1,010,439</b>	811,957
Financial investments measured at FVTOCI	(b)	<b>3,291,152</b>	2,230,862
Financial investments measured at amortised cost	(c)	<b>9,851,985</b>	8,806,849
		<u><b>14,153,576</b></u>	<u>11,849,668</u>

**(a) Financial investments measured at FVTPL**

		<b>31 December 2024</b>	31 December 2023
<b>Financial investments held for trading</b>			
Debt securities (analysed by type of issuers):			
Governments and central banks		<b>395,728</b>	186,993
Policy banks		<b>27,272</b>	21,338
Banks and other financial institutions		<b>73,431</b>	64,517
Corporate entities		<b>67,721</b>	84,302
		<u><b>564,152</b></u>	<u>357,150</u>
Equity investments		<b>18,048</b>	14,650
		<u><b>582,200</b></u>	<u>371,800</u>
<b>Financial investments designated as at FVTPL</b>			
Debt securities (analysed by type of issuers):			
Governments and central banks		<b>6,904</b>	372
Banks and other financial institutions		<b>184</b>	181
Corporate entities		<b>653</b>	222
		<u><b>7,741</b></u>	<u>775</u>
Funds and other investments		<b>34,735</b>	42,868
		<u><b>42,476</b></u>	<u>43,643</u>
<b>Other financial investments measured at FVTPL</b>			
Debt securities (analysed by type of issuers):			
Policy banks		<b>8,416</b>	13,037
Banks and other financial institutions		<b>156,979</b>	166,690
Corporate entities		<b>1,693</b>	2,517
		<u><b>167,088</b></u>	<u>182,244</u>
Equity investments		<b>93,719</b>	90,396
Funds and other investments		<b>124,956</b>	123,874
		<u><b>385,763</b></u>	<u>396,514</u>
		<u><b>1,010,439</b></u>	<u>811,957</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**24. Financial Investments (continued)**

**(a) Financial investments measured at FVTPL (continued)**

	<b>31 December 2024</b>	31 December 2023
<b>Analysed into:</b>		
Debt securities:		
Listed in Hong Kong SAR	4,375	3,204
Listed outside Hong Kong SAR	29,227	20,629
Unlisted	<u>705,379</u>	<u>516,336</u>
	<u><b>738,981</b></u>	<u>540,169</u>
Equity investments:		
Listed in Hong Kong SAR	3,582	2,937
Listed outside Hong Kong SAR	24,348	27,188
Unlisted	<u>83,837</u>	<u>74,921</u>
	<u><b>111,767</b></u>	<u>105,046</u>
Funds and other investments:		
Listed in Hong Kong SAR	4,913	3,353
Listed outside Hong Kong SAR	5,791	2,393
Unlisted	<u>148,987</u>	<u>160,996</u>
	<u><b>159,691</b></u>	<u>166,742</u>
	<u><b>1,010,439</b></u>	<u><u>811,957</u></u>



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**24. Financial Investments (continued)**

**(b) Financial investments measured at FVTOCI**

	<b>31 December 2024</b>	31 December 2023
Debt securities (analysed by type of issuers):		
Governments and central banks	<b>1,673,679</b>	1,076,400
Policy banks	<b>512,411</b>	184,168
Banks and other financial institutions	<b>398,174</b>	293,463
Corporate entities	<b>588,449</b>	566,522
Accrued interest	<b>27,787</b>	22,099
	<b>3,200,500</b>	2,142,652
Other debt investments	<b>5,426</b>	5,421
Equity investments	<b>85,226</b>	82,789
	<b>3,291,152</b>	2,230,862
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	<b>146,519</b>	123,348
Listed outside Hong Kong SAR	<b>389,928</b>	339,324
Unlisted	<b>2,664,053</b>	1,679,980
	<b>3,200,500</b>	2,142,652
Other debt investments:		
Unlisted	<b>5,426</b>	5,421
Equity investments:		
Listed in Hong Kong SAR	<b>11,398</b>	5,681
Listed outside Hong Kong SAR	<b>4,899</b>	4,363
Unlisted	<b>68,929</b>	72,745
	<b>85,226</b>	82,789
	<b>3,291,152</b>	2,230,862

As at 31 December 2024, the accumulated unrealized profit of the Group's debt securities and other debt investments measured at FVTOCI was RMB92,821 million and RMB31 million (31 December 2023: the accumulated unrealized profit of RMB19,296 million and RMB66 million).

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 24. Financial Investments (continued)

#### (b) Financial investments measured at FVTOCI (continued)

The Group designates certain non-trading equity investments as financial investments measured at FVTOCI. As at 31 December 2024, the cumulated fair value floating profit of equity investments was RMB8,184 million (31 December 2023: RMB4,267 million). In 2024, dividend income from such equity investments was RMB3,067 million (2023: RMB4,020 million). There was RMB914 million dividend income from equity investments derecognised (2023: RMB884 million). The value of equity investments disposed of was RMB7,816 million (2023: RMB20,496 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal was RMB674 million (2023: RMB366 million).

Allowance for impairment losses on financial investments measured at FVTOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position, and any impairment gain or loss is recognised in the profit or loss. Movements of the allowance for impairment losses on financial investments measured at FVTOCI are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	4,835	964	3,769	9,568
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Reverse for the year	(277)	(355)	(43)	(675)
Other movements	7	26	99	132
	<u>4,565</u>	<u>635</u>	<u>3,825</u>	<u>9,025</u>
Balance at 31 December 2024	<u>4,565</u>	<u>635</u>	<u>3,825</u>	<u>9,025</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	4,794	1,009	3,527	9,330
Transfer:				
– to stage 1	40	(40)	–	–
– to stage 2	(49)	49	–	–
– to stage 3	–	–	–	–
(Reverse)/charge for the year	(13)	(78)	659	568
Other movements	63	24	(417)	(330)
	<u>4,835</u>	<u>964</u>	<u>3,769</u>	<u>9,568</u>
Balance at 31 December 2023	<u>4,835</u>	<u>964</u>	<u>3,769</u>	<u>9,568</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 24. Financial Investments (continued)

#### (c) Financial investments measured at amortised cost

	31 December 2024	31 December 2023
Debt securities (analysed by type of issuers):		
Governments and central banks (i)	8,379,953	7,529,154
Policy banks	549,266	593,513
Banks and other financial institutions (ii)	771,310	542,365
Corporate entities	68,060	68,061
Accrued interest	104,906	98,590
	<u>9,873,495</u>	<u>8,831,683</u>
Other investments (iii)	16,877	13,869
Accrued interest	16	16
	<u>16,893</u>	<u>13,885</u>
	<u>9,890,388</u>	<u>8,845,568</u>
Less: Allowance for impairment losses	<u>(38,403)</u>	<u>(38,719)</u>
	<u>9,851,985</u>	<u>8,806,849</u>
Analysed into:		
Debt securities:		
Listed in Hong Kong SAR	36,281	38,843
Listed outside Hong Kong SAR	233,832	200,976
Unlisted	9,568,021	8,555,776
	<u>9,838,134</u>	<u>8,795,595</u>
Other investments:		
Unlisted	13,851	11,254
	<u>13,851</u>	<u>11,254</u>
	<u>9,851,985</u>	<u>8,806,849</u>
Market value of listed securities	<u>269,046</u>	<u>236,482</u>

- (i) This includes a special government bond, which is a non-negotiable bond with a nominal value of RMB85,000 million (31 December 2023: RMB85,000 million) issued by the Ministry of Finance of the People's Republic of China (the "MOF") to the Bank in 1998. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 24. Financial Investments (continued)

#### (c) Financial investments measured at amortised cost (continued)

- (ii) This includes Huarong bonds of RMB90,309 million (31 December 2023: RMB90,309 million). Huarong bonds are a series of long-term bonds issued by the former China Huarong Asset Management Co., Ltd. (“Huarong”) in the year of 2000 and 2001 to the Bank, with an aggregate amount of RMB312,996 million. The proceeds from the issuance of the bonds were used to purchase non-performing loans of the Bank. The bonds are non-negotiable, with a tenure of 10 years and bear interest at a fixed rate of 2.25% per annum. The MOF provides funding support for the repayment of principal and interest of the bonds. In 2010, the Bank received a notice from the MOF that the maturity dates of the Huarong bonds were extended for ten years. In 2020, the Bank received a notice from the MOF to adjust the interest rate of the Huarong bonds, starting from 1 January 2020. Interest rate would be determined on yearly basis with reference to the average level of five-year government bond yield in the previous year. In January 2021, the Bank received a notice from the MOF that the maturity dates of Huarong bonds were further extended for ten years. As at 31 December 2024, the Bank had received accumulated early repayments amounting to RMB222,687 million (31 December 2023: RMB222,687 million).
- (iii) Other investments include debt investment plans, asset management plans and trust plans with fixed or determinable payments. They will mature from May 2025 to August 2039 and bear interest rates ranging from 2.84% to 6.08% per annum.

Movements of the allowance for impairment losses on financial investments measured at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	36,009	11	2,699	38,719
Transfer:				
– to stage 1	–	–	–	–
– to stage 2	–	–	–	–
– to stage 3	–	–	–	–
Reverse for the year	(507)	–	–	(507)
Other movements	38	–	153	191
	<u>35,540</u>	<u>11</u>	<u>2,852</u>	<u>38,403</u>
Balance at 31 December 2024				
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	28,613	23	2,699	31,335
Transfer:				
– to stage 1	19	(19)	–	–
– to stage 2	(2)	2	–	–
– to stage 3	–	–	–	–
Charge for the year	7,385	4	–	7,389
Other movements	(6)	1	–	(5)
	<u>36,009</u>	<u>11</u>	<u>2,699</u>	<u>38,719</u>
Balance at 31 December 2023				

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 25. Investments in Subsidiaries

	<b>31 December 2024</b>	31 December 2023
Listed investments, at cost	<b>2,712</b>	2,712
Unlisted investments, at cost	<b>160,571</b>	160,571
	<b>163,283</b>	163,283

Particulars of the Group's principal subsidiaries as at the end of the reporting period are as follows:

Name	Percentage of equity interest %		Nominal value of issued share/ paid-in capital	Amount invested by the bank	Place of incorporation/ registration and operation	Principal activities
	31 December 2024	31 December 2023	31 December 2024			
Industrial and Commercial Bank of China (Asia) Limited ("ICBC Asia")	100	100	HKD44,188 million	HKD54,738 million	Hong Kong SAR, the PRC	Commercial banking
ICBC International Holdings Limited ("ICBC International")	100	100	HKD5,963 million	HKD5,963 million	Hong Kong SAR, the PRC	Investment banking
Industrial and Commercial Bank of China (Macau) Limited ("ICBC Macau")	89.33	89.33	MOP589 million	MOP12,064 million	Macao SAR, the PRC	Commercial banking
PT. Bank ICBC Indonesia	98.61	98.61	IDR3,706,100 million	USD361 million	Jakarta, Indonesia	Commercial banking
Industrial and Commercial Bank of China (Malaysia) Berhad	100	100	MYR833 million	MYR833 million	Kuala Lumpur, Malaysia	Commercial banking
Industrial and Commercial Bank of China (Thai) Public Company Limited ("ICBC Thai")	97.98	97.98	THB20,107 million	THB23,711 million	Bangkok, Thailand	Commercial banking
Industrial and Commercial Bank of China (Almaty) Joint Stock Company	100	100	KZT8,933 million	KZT8,933 million	Almaty, Kazakhstan	Commercial banking
Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC New Zealand")	100	100	NZD234 million	NZD234 million	Auckland, New Zealand	Commercial banking
Industrial and Commercial Bank of China (Europe) S.A.	100	100	EUR437 million	EUR437 million	Luxembourg	Commercial banking
ICBC (London) PLC	100	100	USD200 million	USD200 million	London, United Kingdom	Commercial banking
ICBC Standard Bank PLC ("Standard Bank")	60	60	USD1,083 million	USD839 million	London, United Kingdom	Banking
Bank ICBC (joint stock company)	100	100	RUB10,810 million	RUB10,810 million	Moscow, Russia	Commercial banking
ICBC Turkey Bank Anonim Şirketi	92.84	92.84	TRY12,770 million	USD425 million	Istanbul, Turkey	Commercial banking
ICBC Austria Bank GmbH	100	100	EUR200 million	EUR200 million	Vienna, Austria	Commercial banking
Industrial and Commercial Bank of China (USA) NA	80	80	USD369 million	USD306 million	New York, United States	Commercial banking
Industrial and Commercial Bank of China Financial Services LLC	100	100	USD50 million	USD50.25 million	Delaware and New York, United States	Broker dealer and margin trading

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 25. Investments in Subsidiaries (continued)

Name	Percentage of equity interest %		Nominal value of issued share/ paid-in capital	Amount invested by the bank	Place of incorporation/ registration and operation	Principal activities
	31 December 2024	31 December 2023	31 December 2024			
Industrial and Commercial Bank of China (Canada) ("ICBC Canada")	80	80	CAD208 million	CAD218.66 million	Toronto, Canada	Commercial banking
Industrial and Commercial Bank of China Mexico S.A.	100	100	MXN1,597 million	MXN1,597 million	Mexico City, Mexico	Commercial banking
Industrial and Commercial Bank of China (Brasil) S.A.	100	100	Real202 million	Real202 million	Sao Paulo, Brazil	Commercial banking
Industrial and Commercial Bank of China (Argentina) S.A.	100	100	ARS373,751 million	USD904 million	Buenos Aires, Argentina	Commercial banking
ICBC Peru Bank	100	100	USD120 million	USD120 million	Lima, Peru	Commercial banking
ICBC Credit Suisse Asset Management Co., Ltd. *	80	80	RMB200 million	RMB433 million	Beijing, the PRC	Fund management
ICBC Financial Leasing Co., Ltd. * ("ICBC Leasing")	100	100	RMB18,000 million	RMB11,000 million	Tianjin, the PRC	Leasing
ICBC-AXA Assurance Co., Ltd. ("ICBC-AXA") *	60	60	RMB12,505 million	RMB7,980 million	Shanghai, the PRC	Insurance
ICBC Financial Asset Investment Co., Ltd.* ("ICBC Investment")	100	100	RMB27,000 million	RMB27,000 million	Nanjing, the PRC	Financial asset investment
ICBC Wealth Management Co., Ltd.*	100	100	RMB16,000 million	RMB16,000 million	Beijing, the PRC	Wealth management
Zhejiang Pinghu ICBC Rural Bank Co., Ltd. *	60	60	RMB200 million	RMB120 million	Zhejiang, the PRC	Commercial banking
Chongqing Bishan ICBC Rural Bank Co., Ltd. *	100	100	RMB100 million	RMB100 million	Chongqing, the PRC	Commercial banking

\* These subsidiaries incorporated in Chinese mainland are all limited liability companies.

As at 31 December 2024 and 31 December 2023, voting rights of the subsidiaries of the Group were in line with the Group's equity interests.

The above table lists the principal subsidiaries of the Bank. To give details of other subsidiaries would, in the opinion of the management, result in particulars of excessive length.

There was no subsidiary of the Group which had material non-controlling interests during the reporting period.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**26. Investments in Associates and Joint Ventures**

	<b>31 December 2024</b>	31 December 2023
Interests in associates	<b>71,072</b>	61,868
Interests in joint ventures	<b>2,285</b>	2,910
	<u><b>73,357</b></u>	<u>64,778</u>
	<b>31 December 2024</b>	31 December 2023
Share of net assets	<b>59,428</b>	50,973
Goodwill	<b>14,448</b>	14,324
	<u><b>73,876</b></u>	<u>65,297</u>
Less: Allowance for impairment losses	<b>(519)</b>	(519)
	<u><b>73,357</b></u>	<u>64,778</u>

**(a) Carrying value of the Group's associates and joint ventures are as follows:**

	<b>31 December 2024</b>	31 December 2023
Standard Bank	<b>26,946</b>	25,394
Others	<b>46,411</b>	39,384
	<u><b>73,357</b></u>	<u>64,778</u>

Standard Bank is a listed commercial bank registered in Johannesburg, the Republic of South Africa with an issued capital of ZAR166 million and a strategic partner of the Group. As at 31 December 2024, the Group's equity interest and voting rights in Standard Bank were both 19.59% (31 December 2023: 19.39%).



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**26. Investments in Associates and Joint Ventures (continued)**

**(a) Carrying value of the Group's associates and joint ventures are as follows: (continued)**

The accounting policies of Standard Bank are consistent with those of the Group. Its financial information is significant to the Group and summarised as follows:

	<b>As at/ year ended 31 December 2024</b>	<b>As at/ year ended 31 December 2023</b>
<b>The associate</b>		
Assets	<b>1,271,730</b>	1,174,552
Liabilities	<b>1,157,892</b>	1,068,458
Net assets	<b>113,838</b>	106,094
Profit from continuing operations	<b>17,009</b>	17,129
<b>Equity method of the associate</b>		
Net assets of the associate attributable to the parent company	<b>97,422</b>	91,062
Group's effective interest	<b>19.59%</b>	19.39%
Group's share of net assets of the associate	<b>19,085</b>	17,657
Goodwill	<b>8,209</b>	8,085
Closing balance of the Group's interest in Standard Bank in the consolidated statement of financial position	<b>27,294</b>	25,742

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 26. Investments in Associates and Joint Ventures (continued)

(b) Movements of associates and joint ventures investments of the Group are as follows:

	Movements during the year							Balance at end of the year	Balance of allowance for impairment at end of the year
	Balance at beginning of the year	Investment increase	Investment decrease	Investment income recognised under the equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Other		
Joint ventures	2,910	-	(204)	(342)	-	(44)	(35)	2,285	-
Associates									
Standard Bank	25,742	-	-	3,356	(47)	(1,878)	121	27,294	(348)
Others	36,645	15,098	(5,713)	1,505	32	(1,553)	(1,717)	44,297	(171)
Subtotal	62,387	15,098	(5,713)	4,861	(15)	(3,431)	(1,596)	71,591	(519)
Total	65,297	15,098	(5,917)	4,519	(15)	(3,475)	(1,631)	73,876	(519)

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**27. Property and Equipment**

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment and motor vehicles	Aircraft and vessels	Total
<b>Cost:</b>						
At 1 January 2023	191,703	17,106	14,335	83,383	198,453	504,980
Additions	509	17,954	751	6,589	3,955	29,758
CIP transfer in/(out)	5,904	(10,685)	–	136	4,645	–
Disposals and other movements	(2,413)	(155)	(106)	(6,350)	(3,280)	(12,304)
At 31 December 2023 and 1 January 2024	<b>195,703</b>	<b>24,220</b>	<b>14,980</b>	<b>83,758</b>	<b>203,773</b>	<b>522,434</b>
Additions	<b>1,383</b>	<b>10,449</b>	<b>811</b>	<b>7,142</b>	<b>17,701</b>	<b>37,486</b>
CIP transfer in/(out)	<b>3,291</b>	<b>(6,099)</b>	–	<b>121</b>	<b>2,687</b>	–
Disposals and other movements	<b>7,099</b>	<b>(7,418)</b>	<b>(87)</b>	<b>(3,401)</b>	<b>(8,939)</b>	<b>(12,746)</b>
At 31 December 2024	<b>207,476</b>	<b>21,152</b>	<b>15,704</b>	<b>87,620</b>	<b>215,222</b>	<b>547,174</b>
<b>Accumulated depreciation and allowance for impairment losses:</b>						
At 1 January 2023	82,155	34	12,359	66,191	50,354	211,093
Depreciation charge for the year	7,011	–	854	8,182	6,811	22,858
Impairment charge for the year	–	–	–	–	1,297	1,297
Disposals and other movements	(1,229)	–	(93)	(6,224)	(4,146)	(11,692)
At 31 December 2023 and 1 January 2024	<b>87,937</b>	<b>34</b>	<b>13,120</b>	<b>68,149</b>	<b>54,316</b>	<b>223,556</b>
Depreciation charge for the year	<b>7,045</b>	–	<b>804</b>	<b>7,456</b>	<b>7,083</b>	<b>22,388</b>
Impairment charge for the year	–	–	–	–	<b>891</b>	<b>891</b>
Disposals and other movements	<b>2,780</b>	<b>1</b>	<b>(96)</b>	<b>(3,069)</b>	<b>(1,664)</b>	<b>(2,048)</b>
At 31 December 2024	<b>97,762</b>	<b>35</b>	<b>13,828</b>	<b>72,536</b>	<b>60,626</b>	<b>244,787</b>
<b>Carrying amount:</b>						
At 31 December 2023	<u>107,766</u>	<u>24,186</u>	<u>1,860</u>	<u>15,609</u>	<u>149,457</u>	<u>298,878</u>
At 31 December 2024	<u><b>109,714</b></u>	<u><b>21,117</b></u>	<u><b>1,876</b></u>	<u><b>15,084</b></u>	<u><b>154,596</b></u>	<u><b>302,387</b></u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 27. Property and Equipment (continued)

As at 31 December 2024, the process of obtaining the legal titles for the Group's properties and buildings with an aggregate carrying amount of RMB5,404 million (31 December 2023: RMB6,421 million) was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

As at 31 December 2024, the carrying amount of aircraft and vessels leased out by the Group under operating leases was RMB154,596 million (31 December 2023: RMB149,457 million).

As at 31 December 2024, the carrying amount of aircraft and vessels owned by the Group that have been pledged as collateral for liabilities due to banks and other financial institutions was RMB28,043 million (31 December 2023: RMB72,257 million).

As at 31 December 2024, the carrying amount of aircraft and vessel construction in progress was RMB14,699 million (31 December 2023: RMB17,670 million).

### 28. Deferred Tax Assets and Liabilities

#### (a) Analysed by nature

Deferred tax assets:

	31 December 2024		31 December 2023	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Allowance for impairment losses	474,566	117,825	450,033	111,767
Change in fair value of financial instruments measured at FVTPL	(40,707)	(10,183)	(16,762)	(4,221)
Change in fair value of financial instruments measured at FVTOCI	(112,174)	(28,101)	(35,609)	(9,222)
Accrued staff costs	45,935	11,477	46,529	11,623
Others	(3,861)	(971)	(21,244)	(5,278)
	<u>363,759</u>	<u>90,047</u>	<u>422,947</u>	<u>104,669</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**28. Deferred Tax Assets and Liabilities (continued)**

**(a) Analysed by nature (continued)**

Deferred tax liabilities:

	31 December 2024		31 December 2023	
	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)	Taxable/ (deductible) temporary differences	Deferred tax liabilities/ (assets)
Allowance for impairment losses	(90)	(23)	(109)	(38)
Change in fair value of financial instruments measured at FVTPL	7,573	1,693	7,729	1,701
Change in fair value of financial instruments measured at FVTOCI	(333)	(81)	(146)	64
Others	10,733	2,689	8,912	2,203
	<u>17,883</u>	<u>4,278</u>	<u>16,386</u>	<u>3,930</u>

**(b) Movements of deferred income tax**

Deferred tax assets:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	111,767	6,058	–	117,825
Change in fair value of financial instruments measured at FVTPL	(4,221)	(5,962)	–	(10,183)
Change in fair value of financial instruments measured at FVTOCI	(9,222)	–	(18,879)	(28,101)
Accrued staff costs	11,623	(146)	–	11,477
Others	(5,278)	(715)	5,022	(971)
	<u>104,669</u>	<u>(765)</u>	<u>(13,857)</u>	<u>90,047</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**28. Deferred Tax Assets and Liabilities (continued)**

**(b) Movements of deferred income tax (continued)**

Deferred tax liabilities:

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Allowance for impairment losses	(38)	15	–	(23)
Change in fair value of financial instruments measured at FVTPL	1,701	(8)	–	1,693
Change in fair value of financial instruments measured at FVTOCI	64	–	(145)	(81)
Others	2,203	248	238	2,689
	<u>3,930</u>	<u>255</u>	<u>93</u>	<u>4,278</u>

Deferred tax assets:

	1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2023
Allowance for impairment losses	99,753	12,014	–	111,767
Change in fair value of financial instruments measured at FVTPL	(1,194)	(3,027)	–	(4,221)
Change in fair value of financial instruments measured at FVTOCI	(2,449)	–	(6,773)	(9,222)
Accrued staff costs	10,839	784	–	11,623
Others	(5,832)	(942)	1,496	(5,278)
	<u>101,117</u>	<u>8,829</u>	<u>(5,277)</u>	<u>104,669</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 28. Deferred Tax Assets and Liabilities (continued)

#### (b) Movements of deferred income tax (continued)

Deferred tax liabilities:

	1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2023
Allowance for impairment losses	(196)	158	–	(38)
Change in fair value of financial instruments measured at FVTPL	1,845	(144)	–	1,701
Change in fair value of financial instruments measured at FVTOCI	710	–	(646)	64
Others	1,591	612	–	2,203
	<u>3,950</u>	<u>626</u>	<u>(646)</u>	<u>3,930</u>

As at 31 December 2024 and 31 December 2023, the Group did not have significant unrecognised deferred tax assets.

### 29. Other Assets

	31 December 2024	31 December 2023
Settlement and clearing balances	<b>238,962</b>	213,951
Precious metals	<b>208,907</b>	140,230
Right-of-use assets	(a) <b>24,466</b>	28,538
Land use rights	<b>13,960</b>	14,438
Good will	(b) <b>19,566</b>	9,357
Advance payments	<b>1,197</b>	7,034
Reposessed assets	(c) <b>6,186</b>	6,502
Interest receivable	<b>3,684</b>	3,425
Others	<b>110,303</b>	121,963
	<u><b>627,231</b></u>	<u>545,438</u>
Less: Allowance for impairment losses	<u><b>(13,998)</b></u>	<u>(11,891)</u>
	<u><b>613,233</b></u>	<u>533,547</u>



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**29. Other Assets (continued)**

**(a) Right-of-use assets**

	<b>Properties and buildings</b>	<b>Aircraft and vessels</b>	<b>Office equipment and motor vehicles</b>	<b>Total</b>
<b>Cost:</b>				
At 1 January 2023	37,837	20,418	395	58,650
Additions	6,231	1,106	162	7,499
Disposals and other movements	(4,877)	(6,873)	1,051	(10,699)
At 31 December 2023 and 1 January 2024	<u>39,191</u>	<u>14,651</u>	<u>1,608</u>	<u>55,450</u>
Additions	6,983	–	13	6,996
Disposals and other movements	(2,567)	(3,888)	(1,162)	(7,617)
At 31 December 2024	<u>43,607</u>	<u>10,763</u>	<u>459</u>	<u>54,829</u>
<b>Accumulated depreciation:</b>				
At 1 January 2023	21,156	3,516	325	24,997
Depreciation charge for the year	6,730	689	95	7,514
Disposals and other movements	(4,321)	(1,414)	136	(5,599)
At 31 December 2023 and 1 January 2024	<u>23,565</u>	<u>2,791</u>	<u>556</u>	<u>26,912</u>
Depreciation charge for the year	6,410	536	74	7,020
Disposals and other movements	(2,508)	(845)	(216)	(3,569)
At 31 December 2024	<u>27,467</u>	<u>2,482</u>	<u>414</u>	<u>30,363</u>
<b>Allowance for impairment losses:</b>				
At 1 January 2023	35	855	–	890
Other movements	1	(325)	–	(324)
At 31 December 2023 and 1 January 2024	<u>36</u>	<u>530</u>	<u>–</u>	<u>566</u>
Other movements	1	(89)	–	(88)
At 31 December 2024	<u>37</u>	<u>441</u>	<u>–</u>	<u>478</u>
<b>Carrying amount:</b>				
At 31 December 2023	<u>15,590</u>	<u>11,330</u>	<u>1,052</u>	<u>27,972</u>
At 31 December 2024	<u>16,103</u>	<u>7,840</u>	<u>45</u>	<u>23,988</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**29. Other Assets (continued)**

**(b) Goodwill**

	<b>2024</b>	2023
At 1 January	<b>9,357</b>	9,181
Additions	<b>9,961</b>	–
Exchange difference	<b>248</b>	176
	<hr/>	<hr/>
Subtotal	<b>19,566</b>	9,357
Less: Allowance for impairment losses	<b>(401)</b>	(390)
	<hr/>	<hr/>
	<b>19,165</b>	8,967
	<hr/> <hr/>	<hr/> <hr/>

The goodwill is attributable to the expected synergies arising from acquisition of several subsidiaries. Goodwill arising from business combinations has been reasonably allocated to the CGU, which is not larger than the reportable segment of the Group, for impairment testing. The recoverable amount of the CGU is determined based on the discounted future cash flows of the CGU. The cash flow projections are based on financial forecasts approved by management of the subsidiaries. The average growth rates are projected based on the similar rates which do not exceed the long-term average growth rate for the business in which the CGU operates in. The discount rate is the before-tax rate and reflects the specific risk associated with the CGU. According to the impairment test, the above goodwill has not been impaired during the current year, movements in provision for impairment of goodwill was the effect of exchange rate changes in 2024.

**(c) Repossessed assets**

	<b>2024</b>	2023
Properties and buildings	<b>5,604</b>	5,878
Other	<b>582</b>	624
	<hr/>	<hr/>
Subtotal	<b>6,186</b>	6,502
Less: Allowance for impairment losses	<b>(2,974)</b>	(3,116)
	<hr/>	<hr/>
	<b>3,212</b>	3,386
	<hr/> <hr/>	<hr/> <hr/>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**30. Impairment Allowance**

	At 1 January 2024	Charge/ (reverse) for the year	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 31 December 2024
Due from banks and other financial institutions	3,560	586	-	-	201	4,347
Reverse repurchase agreements	97	(64)	-	-	-	33
Loans and advances to customers	756,391	122,479	(85,127)	13,856	7,898	815,497
Financial investments	48,287	(1,182)	(57)		380	47,428
Investments in associates and joint ventures	519	-	-	-	-	519
Property and equipment	11,522	891	-	-	389	12,802
Credit commitments	24,185	690	-	-	284	25,159
Others	39,691	3,263	(1,499)	-	98	41,553
<b>Total</b>	<b>884,252</b>	<b>126,663</b>	<b>(86,683)</b>	<b>13,856</b>	<b>9,250</b>	<b>947,338</b>
	At 1 January 2023	Charge/ (reverse) for the year	Write-offs and transfer out	Recoveries of previous write-offs	Others	At 31 December 2023
Due from banks and other financial institutions	1,500	2,040	-	-	20	3,560
Reverse repurchase agreements	475	(387)	-	-	9	97
Loans and advances to customers	672,762	143,422	(72,991)	14,915	(1,717)	756,391
Financial investments	40,665	7,957	(563)	-	228	48,287
Investments in associates and joint ventures	365	154	-	-	-	519
Property and equipment	13,685	1,297	(3,619)	-	159	11,522
Credit commitments	27,640	(3,585)	-	-	130	24,185
Others	40,159	(82)	(1,298)	226	686	39,691
<b>Total</b>	<b>797,251</b>	<b>150,816</b>	<b>(78,471)</b>	<b>15,141</b>	<b>(485)</b>	<b>884,252</b>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**31. Due to Banks and Other Financial Institutions**

	<b>31 December 2024</b>	31 December 2023
Deposits:		
Banks and other financial institutions operating in Chinese mainland	<b>3,841,081</b>	2,698,821
Banks and other financial institutions operating outside Chinese mainland	<b>143,455</b>	138,308
Accrued interest	<b>36,001</b>	4,256
	<b>4,020,537</b>	2,841,385
Money market takings:		
Banks and other financial institutions operating in Chinese mainland	<b>273,806</b>	228,733
Banks and other financial institutions operating outside Chinese mainland	<b>288,602</b>	288,883
Accrued interest	<b>8,020</b>	10,857
	<b>570,428</b>	528,473
	<b>4,590,965</b>	3,369,858

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**32. Financial Liabilities Measured at Fair Value Through Profit or Loss**

	<b>31 December 2024</b>	31 December 2023
Financial liabilities related to precious metals and account-based investment products (i)	<b>61,362</b>	51,843
Debt securities issued (i)	<b>10,562</b>	5,647
Others	<b>4,132</b>	5,369
	<b><u>76,056</u></b>	<u>62,859</u>

- (i) Financial liabilities related to precious metals and account-based investment products, and certain issued debt securities have been matched with precious metals or derivatives of the Group as part of a documented risk management strategy to mitigate market risk. An accounting mismatch would arise if these financial liabilities were accounted for at amortised cost, whereas the related precious metals or derivatives were measured at fair value with movements in fair value taken through the statement of profit or loss. By designating these financial liabilities at FVTPL, the movement in their fair values is recorded in the statement of profit or loss. As at 31 December 2024 and 31 December 2023, the difference between the fair values of the financial liabilities related to precious metals, account-based investment products and issued debt securities and the amounts that the Group would be contractually required to pay to the holders of the financial liabilities related to precious metals, account-based investment products and issued debt securities upon maturity was not significant.

In 2024 and 2023, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective years were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in other market factors.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**33. Repurchase Agreements**

	<b>31 December 2024</b>	31 December 2023
Measured at amortised cost:		
Repurchase agreements-bills	<b>12,096</b>	11,738
Repurchase agreements-securities	<b>1,493,317</b>	968,339
Accrued interest	<b>17,427</b>	9,855
	<hr/>	<hr/>
Subtotal	<b>1,522,840</b>	989,932
	<hr/>	<hr/>
Measured at FVTPL:		
Repurchase agreements-securities and cash received as collateral on securities lending	<b>715</b>	28,174
	<hr/>	<hr/>
Total	<b>1,523,555</b>	1,018,106
	<hr/> <hr/>	<hr/> <hr/>

**34. Certificates of Deposit**

Certificates of deposit issued by certain of the Bank's overseas branches and subsidiaries are measured at amortised cost.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**35. Due to Customers**

	<b>31 December 2024</b>	31 December 2023
Demand deposits:		
Corporate customers	<b>7,158,295</b>	7,366,691
Personal customers	<b>6,463,845</b>	6,083,841
	<u><b>13,622,140</b></u>	<u>13,450,532</u>
Time deposits:		
Corporate customers	<b>8,349,110</b>	8,843,237
Personal customers	<b>12,077,665</b>	10,481,727
	<u><b>20,426,775</b></u>	<u>19,324,964</u>
Others	<b>228,721</b>	210,185
Accrued interest	<b>559,337</b>	535,493
	<u><b>34,836,973</b></u>	<u>33,521,174</u>

As at 31 December 2024, the Group's pledged deposits included in above amounted to RMB142,531 million (31 December 2023: RMB171,113 million).



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**36. Debt Securities Issued**

	<b>31 December</b>	31 December
	<b>2024</b>	2023
Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds	(a)	
Issued by the Bank	<b>732,586</b>	682,184
Issued by subsidiaries	<b>6,058</b>	9,543
Accrued interest	<b>10,617</b>	12,402
	<u><b>749,261</b></u>	<u>704,129</u>
Other debt securities	(b)	
Issued by the Bank	<b>1,192,573</b>	554,931
Issued by subsidiaries	<b>84,843</b>	108,393
Accrued interest	<b>2,045</b>	2,324
	<u><b>1,279,461</b></u>	<u>665,648</u>
	<u><b>2,028,722</b></u>	<u>1,369,777</u>

As at 31 December 2024, the amount of debt securities issued that were due within one year was RMB1,114,660 million (31 December 2023: RMB476,234 million).

In 2024, the Group has not had any defaults in respect of payments of principal or interest or other breaches with respect to the bonds (2023: Nil).

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 36. Debt Securities Issued (continued)

#### (a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds

The Bank:

As approved by the PBOC and the NFRA, the Bank issued callable subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (TLAC non-capital Bonds) in the National Interbank Bond Market through open market bidding. These subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds were traded on the National Interbank Bond Market. The relevant information is set out below:

Name	Issue date	Issued and		Coupon rate	Value date	Maturity date	Circulation date
		Issue price (In RMB)	nominal amount (In RMB million)				
11 ICBC 01	29/06/2011	100 Yuan	38,000	5.56%	30/06/2011	30/06/2031	30/08/2011
19 ICBC 02 Tier 2 Bond	21/03/2019	100 Yuan	10,000	4.51%	25/03/2019	25/03/2034	26/03/2019
19 ICBC 04 Tier 2 Bond	24/04/2019	100 Yuan	10,000	4.69%	26/04/2019	26/04/2034	28/04/2019
20 ICBC 01 Tier 2 Bond	22/09/2020	100 Yuan	60,000	4.20%	24/09/2020	24/09/2030	25/09/2020
20 ICBC 02 Tier 2 Bond	12/11/2020	100 Yuan	30,000	4.15%	16/11/2020	16/11/2030	17/11/2020
20 ICBC 03 Tier 2 Bond	12/11/2020	100 Yuan	10,000	4.45%	16/11/2020	16/11/2035	17/11/2020
21 ICBC 01 Tier 2 Bond	19/01/2021	100 Yuan	30,000	4.15%	21/01/2021	21/01/2031	22/01/2021
21 ICBC 02 Tier 2 Bond	13/12/2021	100 Yuan	50,000	3.48%	15/12/2021	15/12/2031	16/12/2021
21 ICBC 03 Tier 2 Bond	13/12/2021	100 Yuan	10,000	3.74%	15/12/2021	15/12/2036	16/12/2021
22 ICBC 01 Tier 2 Bond	18/01/2022	100 Yuan	35,000	3.28%	20/01/2022	20/01/2032	21/01/2022
22 ICBC 02 Tier 2 Bond	18/01/2022	100 Yuan	5,000	3.60%	20/01/2022	20/01/2037	21/01/2022
22 ICBC 03 Tier 2 Bond	12/04/2022	100 Yuan	45,000	3.50%	14/04/2022	14/04/2032	15/04/2022
22 ICBC 04 Tier 2 Bond	12/04/2022	100 Yuan	5,000	3.74%	14/04/2022	14/04/2037	15/04/2022
22 ICBC 03A Tier-2 Capital Bonds	18/08/2022	100 Yuan	30,000	3.02%	22/08/2022	22/08/2032	23/08/2022
22 ICBC 03B Tier-2 Capital Bonds	18/08/2022	100 Yuan	10,000	3.32%	22/08/2022	22/08/2037	23/08/2022
22 ICBC 04A Tier-2 Capital Bonds	08/11/2022	100 Yuan	50,000	3.00%	10/11/2022	10/11/2032	11/11/2022
22 ICBC 04B Tier-2 Capital Bonds	08/11/2022	100 Yuan	10,000	3.34%	10/11/2022	10/11/2037	11/11/2022
22 ICBC 05A Tier-2 Capital Bonds	20/12/2022	100 Yuan	25,000	3.70%	22/12/2022	22/12/2032	23/12/2022
22 ICBC 05B Tier-2 Capital Bonds	20/12/2022	100 Yuan	5,000	3.85%	22/12/2022	22/12/2037	23/12/2022
23 ICBC 01A Tier-2 Capital Bonds	10/04/2023	100 Yuan	35,000	3.49%	12/04/2023	12/04/2033	13/04/2023
23 ICBC 01B Tier-2 Capital Bonds	10/04/2023	100 Yuan	20,000	3.58%	12/04/2023	12/04/2038	13/04/2023
23 ICBC 02A Tier-2 Capital Bonds	28/08/2023	100 Yuan	30,000	3.07%	30/08/2023	30/08/2033	31/08/2023
23 ICBC 02B Tier-2 Capital Bonds	28/08/2023	100 Yuan	25,000	3.18%	30/08/2023	30/08/2038	31/08/2023
24 ICBC 01A TLAC Non-capital Bond	15/05/2024	100 Yuan	30,000	2.25%	17/05/2024	17/05/2028	20/05/2024
24 ICBC 01B TLAC Non-capital Bond	15/05/2024	100 Yuan	10,000	2.35%	17/05/2024	17/05/2030	20/05/2024
24 ICBC T2CB01A	27/08/2024	100 Yuan	42,000	2.25%	29/08/2024	29/08/2034	30/08/2024
24 ICBC T2CB01B	27/08/2024	100 Yuan	8,000	2.40%	29/08/2024	29/08/2039	30/08/2024
24 ICBC T2CB02	24/10/2024	100 Yuan	40,000	2.37%	28/10/2024	28/10/2034	29/10/2024
24 ICBC TLACENCGB01(BC)	17/12/2024	100 Yuan	10,000	1.76%	19/12/2024	19/12/2028	20/12/2024

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 36. Debt Securities Issued (continued)

#### (a) Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds (continued)

The Bank has the option to redeem these bonds in whole or in part on specific dates at par value in future upon the approval of the relevant regulatory authorities.

In 2015, the Bank issued tier 2 capital bonds denominated in USD. The bonds were approved for listing and dealing by The Stock Exchange of Hong Kong Limited. The relevant information is set out below:

Name	Issue date	Currency	Issued	Issued	Ending	Coupon rate	Value date	Maturity date	Circulation date
			price	amount	balance				
			(In original currency)	(In original currency)	(In RMB)				
			(million)	(million)	(million)				
15 USD Tier 2 capital bonds	21/09/2015	USD	99.189	2,000	14,600	4.875%	21/09/2015	21/09/2025	22/09/2015

The bonds cannot be redeemed before maturity.

#### Subsidiaries:

On 23 March 2018, ICBC Thai issued a tier 2 capital bond with an aggregate nominal amount of THB5,000 million, bearing a fixed interest rate of 3.5%. The bond will mature on 23 September 2028.

On 15 March 2022, ICBC-AXA issued a capital supplementary bond with an aggregate nominal amount of RMB5,000 million, bearing an initial fixed interest rate of 3.7%. The bond will mature on 17 March 2032. The issuer has an option to redeem the capital supplementary bond in whole or in part at par value at the end of the fifth interest-bearing year. If the issuer does not exercise the redemption option, the coupon rate would increase to 4.7% from the sixth interest-bearing year.

The above tier 2 capital bonds are separately traded on the Thai Bond Market and the National Interbank Bond Market.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 36. Debt Securities Issued (continued)

#### (b) Other debt securities issued

The Bank:

- (i) Head Office issued debt securities and interbank certificates of deposit, denominated in RMB at fixed interest rates amounting to RMB1,081,694 million in total with maturities between 2025 and 2027. The coupon rates range from 0% to 2.70%.
- (ii) Sydney Branch issued debt securities and interbank certificates of deposit, denominated in AUD and USD at fixed or floating interest rates amounting to an equivalent of RMB6,241 million in total with maturities between 2025 and 2027. The coupon rates range from 1.08% to 5.41%.
- (iii) Singapore Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB24,412 million in total with maturities between 2025 and 2027. The coupon rates range from 1.20% to 5.24%.
- (iv) New York Branch issued debt securities and notes denominated in USD at fixed interest rates amounting to an equivalent of RMB7,632 million in total with maturities between 2025 and 2027. The coupon rates range from 0% to 3.54%.
- (v) Luxembourg Branch issued debt securities denominated in EUR at fixed interest rates amounting to an equivalent of RMB2,269 million in total that will mature in 2026. The coupon rate is 4.13%.
- (vi) Dubai (DIFC) Branch issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB12,583 million in total with maturities between 2025 and 2027. The coupon rates range from 2.70% to 5.42%.
- (vii) Hong Kong Branch issued debt securities denominated in USD at fixed or floating interest rates amounting to an equivalent of RMB39,371 million in total with maturities between 2025 and 2027. The coupon rates range from 1.20% to 5.37%.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 36. Debt Securities Issued (continued)

#### (b) Other debt securities issued (continued)

The Bank: (continued)

(viii) London Branch issued notes denominated in GBP, USD and EUR at fixed or floating interest rates amounting to an equivalent of RMB15,821 million in total with maturities between 2025 and 2027. The coupon rates range from 1.63% to 5.37%.

(ix) Macau Branch issued debt securities denominated in USD and MOP at fixed or floating interest rates amounting to an equivalent of RMB2,550 million in total with maturities between 2025 and 2027. The coupon rates range from 4.70% to 5.15%.

Subsidiaries:

(i) ICBC Asia issued debt securities and interbank certificates of deposit denominated in RMB and USD at fixed interest rates amounting to an equivalent of RMB8,370 million in total with maturities between 2025 and 2027. The coupon rates range from 2.05% to 4.90%.

(ii) ICBC Leasing issued debt securities denominated in RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB44,486 million in total with maturities between 2025 and 2031. The coupon rates range from 1.75% to 6.00%.

(iii) ICBC Thai issued debt securities denominated in THB at fixed interest rates amounting to an equivalent of RMB7,521 million in total with maturities between 2025 and 2027. The coupon rates range from 1.52% to 3.70%.

(iv) ICBC International issued debt securities denominated in RMB and USD at fixed interest rates amounting to an equivalent of RMB8,246 million in total with maturities between 2025 and 2027. The coupon rates range from 1.70% to 5.40%.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 36. Debt Securities Issued (continued)

#### (b) Other debt securities issued (continued)

Subsidiaries: (continued)

- (v) ICBC New Zealand issued debt securities denominated in NZD, RMB and USD at fixed or floating interest rates amounting to an equivalent of RMB2,160 million in total with maturities between 2025 and 2029. The coupon rates range from 2.93% to 5.78%.
- (vi) ICBC Investment issued debt securities denominated in RMB at fixed interest rates amounting to RMB10,000 million in total that will mature in 2025. The coupon rates range from 2.20% to 2.50%.
- (vii) ICBC Canada issued interbank certificates of deposit denominated in CAD at fixed interest rates amounting to RMB753 million in total that will mature in 2025. The coupon rates range from 3.30% to 3.56%.
- (viii) ICBC Macau issued debt securities denominated in RMB at fixed interest rates amounting to RMB2,989 million in total that will mature in 2026. The coupon rate is 3.09%.
- (ix) ICBC Argentina issued debt securities denominated in ARS at fixed interest rates amounting to RMB318 million in total that will mature in 2025. The coupon rate is 5.00%.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 37. Other Liabilities

		<b>31 December 2024</b>	31 December 2023
Settlement and clearing balances		<b>374,945</b>	296,443
Insurance business liabilities		<b>304,959</b>	277,321
Salaries, bonuses, allowances and subsidies payables	(a)	<b>45,269</b>	44,768
Provisions for credit commitments	(b)	<b>25,159</b>	24,185
Lease liabilities	(c)	<b>20,983</b>	24,849
Sundry tax payables		<b>15,974</b>	15,941
Promissory notes		<b>1,239</b>	1,716
Early retirement benefits		<b>7</b>	12
Others		<b>140,680</b>	133,407
		<u><b>929,215</b></u>	<u>818,642</u>

(a) There were no overdue payments for staff salaries, bonuses, allowances and subsidies payable as at 31 December 2024 (31 December 2023: Nil).

#### (b) Provisions for credit commitments

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	<b>17,897</b>	<b>5,634</b>	<b>654</b>	<b>24,185</b>
Transfer:				
– to stage 1	<b>113</b>	<b>(113)</b>	–	–
– to stage 2	<b>(204)</b>	<b>204</b>	–	–
– to stage 3	<b>(76)</b>	<b>(7)</b>	<b>83</b>	–
Charge/(reverse) for the year	<b>1,771</b>	<b>(528)</b>	<b>(553)</b>	<b>690</b>
Other movements	<b>314</b>	<b>54</b>	<b>(84)</b>	<b>284</b>
	<u><b>19,815</b></u>	<u><b>5,244</b></u>	<u><b>100</b></u>	<u><b>25,159</b></u>
Balance at 31 December 2024	<u><b>19,815</b></u>	<u><b>5,244</b></u>	<u><b>100</b></u>	<u><b>25,159</b></u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	20,783	6,611	246	27,640
Transfer:				
– to stage 1	341	(341)	–	–
– to stage 2	(301)	301	–	–
– to stage 3	(71)	(113)	184	–
(Reverse)/charge for the year	(2,953)	(855)	223	(3,585)
Other movements	98	31	1	130
	<u>17,897</u>	<u>5,634</u>	<u>654</u>	<u>24,185</u>
Balance at 31 December 2023	<u>17,897</u>	<u>5,634</u>	<u>654</u>	<u>24,185</u>



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**37. Other Liabilities (continued)**

**(c) Lease liabilities**

	<b>31 December 2024</b>	31 December 2023
Less than one year	<b>6,741</b>	8,073
One to two years	<b>5,515</b>	6,109
Two to three years	<b>3,913</b>	4,689
Three to five years	<b>4,444</b>	5,441
More than five years	<b>2,145</b>	3,023
	<u><b>22,758</b></u>	<u>27,335</u>
Undiscounted lease liabilities		
	<u><b>20,983</b></u>	<u>24,849</u>

**38. Share Capital**

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	Number of shares (millions)	Nominal value	Number of shares (millions)	Nominal value
Issued and fully paid:				
H shares of RMB1 Yuan each	<b>86,795</b>	<b>86,795</b>	86,795	86,795
A shares of RMB1 Yuan each	<b>269,612</b>	<b>269,612</b>	269,612	269,612
	<u><b>356,407</b></u>	<u><b>356,407</b></u>	<u>356,407</u>	<u>356,407</u>

Except for the dividends of H shares which are payable in Hong Kong dollars, all of the ordinary A shares and H shares rank pari passu with each other in respect of dividends on ordinary shares.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**39. Other Equity Instruments**

**(1) Preference shares**

(a) Preference shares (“Preference Shares”) outstanding:

Financial instruments outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million shares)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore Preference Shares:										
USD	23/09/2020	Equity	3.58%	USD20/Share	145	2,900	19,716	None	Mandatory	No
Domestic Preference Shares:										
RMB2015	18/11/2015	Equity	4.58%	RMB100/Share	450	45,000	45,000	None	Mandatory	No
RMB2019	19/09/2019	Equity	3.02%	RMB100/Share	700	70,000	<u>70,000</u>	None	Mandatory	No
Total							<u>134,716</u>			

(b) Main clauses and basic information

(i) Dividend

Offshore and domestic dividends are paid annually.

Offshore and domestic dividends are set at a fixed rate for 5 years after issuance and are reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread. The fixed spread is equal to the spread between the initial offshore and domestic dividend rate and the benchmark rate at the time of issuance. The fixed spread remains unchanged throughout the term of the Preference Shares.

(ii) Conditions to distribution of dividends

The Bank can pay offshore and domestic dividends when it has distributable after-tax profit after making up previous years’ losses, contributing to the statutory reserve and making general provisions, and the Bank’s capital adequacy ratios meet regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders in respect of the right to dividends. The order of payment of domestic dividends is equal to offshore dividends. The Bank may elect to cancel all or part of offshore and domestic dividends and this shall not constitute a default for any purpose, but such cancellation will require a shareholder’s resolution to be passed.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 39. Other Equity Instruments (continued)

#### (1) Preference shares (continued)

##### (b) Main clauses and basic information (continued)

##### (iii) Dividend stopper and setting mechanism

For Offshore and Domestic Preference Shares, if the Bank cancels all or part of the dividends to the Preference Shares, the Bank shall not make any dividend distribution to ordinary shareholders before the Bank pays the dividends to the preference shareholders in full for the current dividend period.

Non-cumulative dividend is a dividend on Offshore and Domestic Preference Shares which does not cumulate upon omission of payment and the passed or omitted dividend of one year is not carried to the following year. After receiving a dividend at the agreed dividend rate, preference shareholders of the Bank will not participate in the distribution of residual profits with ordinary shareholders.

The Bank shall distribute dividends for Offshore and Domestic Preference Shares in cash, based on the liquidation preference amount for the issued and outstanding Offshore Preference Shares or total amount of issued and outstanding Domestic Preference Shares during the corresponding period (i.e., the product of the issue price of Preference Shares and the number of the issued and outstanding Preference Shares).

##### (iv) Order of distribution and liquidation method

The offshore preference shareholders and domestic preference shareholders will rank equally for payment. The preference shareholders will be subordinated to the depositors, general creditors and holders of convertible bonds, holders of subordinated debts, holders of tier 2 capital bonds and holders of other tier 2 capital instruments of the Bank but will be senior to the ordinary shareholders of the Bank.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 39. Other Equity Instruments (continued)

#### (1) Preference shares (continued)

##### (b) Main clauses and basic information (continued)

##### (v) Mandatory conversion trigger events

For Offshore Preference Shares, upon the occurrence of any Non-Viability Trigger Event, the Bank shall have the right to irrevocably and compulsorily convert all or part of the outstanding Offshore Preference Shares into H shares, under the consent of the NFRA but without the need for the consent of the offshore preference shareholders or the ordinary shareholders. If the Offshore Preference Shares were converted into H shares, they cannot be converted to Preference Shares again under any circumstances.

For Domestic Preference Shares, upon the occurrence of an Additional Tier 1 Capital Trigger Event (Common Equity Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all or part of the outstanding face value of Domestic Preference Shares into A shares, in order to restore the Common Equity Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%. If Domestic Preference Shares were converted into A shares, they cannot be converted to Preference Shares again under any circumstances. Upon the occurrence of a Tier 2 Capital Trigger Event, the Bank shall have the right without the need for the consent of the domestic preference shareholders to convert all the outstanding face value of Domestic Preference Shares into A shares. If Domestic Preference Shares were converted into A share, they cannot be converted to Preference Shares again under any circumstances.

The initial mandatory conversion prices are HKD5.73 per H share for Offshore Preference Shares, RMB3.44 for Domestic 2015 Preference Shares and RMB5.43 for Domestic 2019 Preference Shares. In case of stock dividends distribution of H or A shares of the Bank or other circumstances, the Bank will make cumulative adjustment to the compulsory conversion price in turn.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 39. Other Equity Instruments (continued)

#### (1) Preference shares (continued)

##### (b) Main clauses and basic information (continued)

##### (vi) Redemption conditions

Subject to obtaining the approval of the NFRA and satisfying the conditions of redemption, the Bank has the right to redeem all or part of the Offshore Preference Shares at the first call date and any subsequent dividend payment date. Redemption price of Offshore Preference Shares is equal to liquidation preference price plus any declared but unpaid dividend in current period. The first redemption date of Offshore Preference Shares is five years after issuance.

Under the premise of obtaining the approval of the NFRA and compliance with relevant requirements, the Bank has the right to redeem all or part of Domestic Preference Shares, after five years since the date of issuance/the date of closing. The redemption period of Domestic Preference Shares is from the start date of redemption to the date of full redemption or conversion. Redemption price of Domestic Preference Shares is equal to book value plus any declared but unpaid dividend in the current period.

##### (c) Changes in preference shares outstanding

	1 January 2024			Movement during the year			31 December 2024		
	Amount (million shares)	In original currency (million)	In RMB (million)	Amount (million shares)	In original Currency (million)	In RMB (million)	Amount (million shares)	In original currency (million)	In RMB (million)
<b>Financial instruments outstanding</b>									
Offshore Preference Shares:									
USD	145	2,900	19,716	-	-	-	145	2,900	19,716
Domestic Preference Shares:									
RMB2015	450	45,000	45,000	-	-	-	450	45,000	45,000
RMB2019	700	70,000	70,000	-	-	-	700	70,000	70,000
<b>Total</b>			<u>134,716</u>			<u>-</u>			<u>134,716</u>

The carrying amount of Preference Shares issued by the Bank, net of related issuance fees, was RMB134,614 million as at 31 December 2024 (31 December 2023: RMB134,614 million).

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 39. Other Equity Instruments (continued)

#### (2) Perpetual bonds

##### (a) Perpetual bonds outstanding

Financial instruments outstanding	Issue date	Accounting classification	Initial interest rate	Issue price	Amount (million units)	In original currency (million)	In RMB (million)	Maturity	Conversion condition	Conversion
Offshore										
USD Perpetual bond	24/09/2021	Equity	3.20%	Note (i)	N/A	6,160	39,793	None	None	No
Domestic										
RMB2021 Perpetual bond Series 1	04/06/2021	Equity	4.04%	RMB100/Unit	700	70,000	70,000	None	None	No
RMB2021 Perpetual bond Series 2	24/11/2021	Equity	3.65%	RMB100/Unit	300	30,000	30,000	None	None	No
RMB2024 Perpetual bond Series 1	10/07/2024	Equity	2.35%	RMB100/Unit	500	50,000	<u>50,000</u>	None	None	No
Total							<u>189,793</u>			

(i) Offshore USD Perpetual Bond was issued in specific denomination of USD200,000 and integral multiple of USD1,000 in excess thereof at an issue price of 100%.

##### (b) Main clauses and basic information

With the approvals of relevant regulatory authorities, the Bank issued RMB70,000 million, RMB30,000 million, and RMB50,000 million of undated capital bonds on 4 June 2021, 24 November 2021 and 10 July 2024 (hereinafter referred to as “2021 Domestic Perpetual Bond Series 1”, “2021 Domestic Perpetual Bond Series 2” and “2024 Domestic Perpetual Bond Series 1” respectively, collectively Domestic Perpetual Bonds) in the National Interbank Bond Market.

The Bank issued USD6,160 million of undated capital bonds (hereinafter referred to as “Offshore Perpetual Bond”) on The Stock Exchange of Hong Kong Limited on 24 September 2021.

The funds raised by the Bank from the bonds were used to supplement additional tier 1 capital of the Bank in accordance with the relevant laws and approvals by regulatory authorities.

With the approvals of relevant regulatory authorities, the Bank fully redeemed undated capital bond issued in 2019 at July 2024.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 39. Other Equity Instruments (continued)

#### (2) Perpetual bonds (continued)

##### (b) Main clauses and basic information (continued)

###### (i) Interest

Each Domestic Perpetual Bond has a par value of RMB100, and the interest rate of the bonds for the first five years are 4.04% for 2021 Domestic Perpetual Bond Series 1, 3.65% for 2021 Domestic Perpetual Bond Series 2, and 2.35% for 2024 Domestic Perpetual Bond Series 1, resetting every 5 years. The rates are determined by a benchmark rate plus a fixed spread. The initial fixed spreads are the difference between the interest rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period. The interest of Domestic Perpetual Bonds shall be paid annually.

The interest rate of Offshore Perpetual Bond for the first five years is 3.20%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread, and the fixed spread will remain unchanged during the duration period. The dividend shall be paid semi-annually.

###### (ii) Interest stopper and setting mechanism

The interest payment for both the Domestic Perpetual Bonds and Offshore Perpetual Bond is non-cumulative. The Bank shall have the right to cancel, in whole or in part, distributions on the interest payment and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 39. Other Equity Instruments (continued)

#### (2) Perpetual bonds (continued)

##### (b) Main clauses and basic information (continued)

###### (iii) Order of distribution and liquidation method

The claims in respect of Domestic Perpetual Bonds will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to Domestic Perpetual Bonds, and will rank in priority to all classes of shares held by shareholders of the Bank. The claims in respect of Offshore Perpetual Bond will be subordinated to claims of depositors, general creditors, tier 2 capital bond holders and subordinated indebtedness that rank senior to the Offshore Perpetual Bond, and will rank in priority to all classes of shares held by shareholders of the Bank. Domestic Perpetual Bonds and Offshore Perpetual Bond will rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bonds.

###### (iv) Write down conditions

For 2021 Domestic Perpetual Bond Series 1, 2021 Domestic Perpetual Bond Series 2, and 2024 Domestic Perpetual Bond Series 1 upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the nominal amount of the outstanding perpetual bonds without the need for the consent of the bond holders.

For Offshore Perpetual Bond, upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the perpetual bonds issued and outstanding at that time up to the total nominal value without the need for the consent of the bond holders.

###### (v) Redemption conditions

The duration of the Domestic Perpetual Bonds and Offshore Perpetual Bond is the same as the continuing operation of the Bank. Five years after the issuance date of the Domestic Perpetual Bonds and Offshore Perpetual Bond, the Bank shall have the right to redeem them in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). In the event that the perpetual bonds are not classified as additional tier 1 capital due to unpredicted changes in regulations, the Bank shall have the right to redeem Domestic Perpetual Bonds and Offshore Perpetual Bond fully instead of partly.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 39. Other Equity Instruments (continued)

#### (2) Perpetual bonds (continued)

##### (c) Changes in perpetual bonds outstanding

	1 January 2024			Movement during the year			31 December 2024		
	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)	Amount (million units)	In original currency (million)	In RMB (million)
<b>Financial instruments outstanding</b>									
Offshore									
USD Perpetual bond	N/A	6,160	39,793	-	-	-	N/A	6,160	39,793
Domestic									
RMB2019 Perpetual bond	800	80,000	80,000	(800)	(80,000)	(80,000)	-	-	-
RMB2021 Perpetual bond Series 1	700	70,000	70,000	-	-	-	700	70,000	70,000
RMB2021 Perpetual bond Series 2	300	30,000	30,000	-	-	-	300	30,000	30,000
RMB2024 Perpetual bond Series 1	-	-	-	500	50,000	50,000	500	50,000	50,000
<b>Total</b>			<u>219,793</u>			<u>(30,000)</u>			<u>189,793</u>

The carrying amount of perpetual bond issued by the Bank, net of related issuance fees, was RMB189,730 million as at 31 December 2024 (31 December 2023: RMB219,717 million).

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**39. Other Equity Instruments (continued)**

**(3) Interests attributable to equity instruments' holders**

	<b>31 December 2024</b>	31 December 2023
1. Total equity attributable to equity holders of the parent company	<b>3,969,841</b>	3,756,887
(1) Equity attributable to ordinary shareholders of the parent company	<b>3,645,497</b>	3,402,556
(2) Equity attributable to other equity instrument holders of the parent company	<u><b>324,344</b></u>	<u>354,331</u>
2. Total equity attributable to non-controlling interests	<b>17,425</b>	19,701
(1) Equity attributable to ordinary shareholders of non-controlling interests	<b>16,553</b>	19,701
(2) Equity attributable to other equity instrument holders of non-controlling interests	<u><b>872</b></u>	<u>—</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 40. Reserves

#### (a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of par value.

#### (b) Surplus reserves

##### (i) Statutory surplus reserve

The Bank is required to appropriate 10% of its profit for the year, as determined under the Accounting Standards for Business Enterprises and other relevant requirements (“PRC GAAP”), pursuant to the Company Law of the PRC and the Articles of the Bank to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses of the Bank, if any, and may also be converted into capital of the Bank, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before capitalisation.

Pursuant to the resolution of the board of directors’ meeting held on 28 March 2025, the total appropriation to surplus reserve of the Bank was RMB34,769 million (2023: RMB34,981 million), among which an appropriation of 10% of the profit of the Bank for the year determined under the PRC GAAP to the statutory surplus reserve, in the amount of RMB34,671 million (2023: RMB34,869 million), was approved and a total surplus reserve appropriated by overseas branches was RMB98 million (2023: RMB112 million).

##### (ii) Discretionary surplus reserve

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the PRC GAAP to the discretionary surplus reserve upon approval by the shareholders in a general meeting. Subject to the approval of the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

##### (iii) Other surplus reserves

The Bank’s overseas entities appropriate their profits to other surplus reserves or statutory reserve in accordance with the relevant laws and regulations promulgated by the local regulatory bodies.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 40. Reserves (continued)

#### (c) General reserve

In accordance with the “Administrative Measures for the Provision of Reserves of Financial Enterprises” (Cai Jin [2012] No. 20) issued by the MOF, the Bank maintains a general reserve within equity, through the appropriation of profit for the year, which should not be less than 1.5% of the year-end balance of its risk assets, to partially cover unidentified possible losses.

The Bank’s subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

Pursuant to the resolution of the board of directors’ meeting held on 28 March 2025, the total appropriation to general reserve of the Bank was RMB52,251 million (2023: RMB64,264 million). The general reserve balance of the Bank as at 31 December 2024 amounted to RMB596,800 million, which reached 1.50% of the year-end balance of the Bank’s risk assets.

#### (d) Investment revaluation reserve

The investment revaluation reserve records the fair value changes and impairment provision of financial investments measured at FVTOCI.

#### (e) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the subsidiaries and branches incorporated outside Chinese mainland.

#### (f) Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the gains or losses on the hedging instruments.

#### (g) Other reserves

Other reserves represent reserves other than the items listed above, including other comprehensive income recognised under the equity method.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 40. Reserves (continued)

#### (h) Distributable profits

The Bank's distributable profit is based on its retained profits as determined under PRC GAAP and IFRSs, whichever is lower. The amount that the Bank's subsidiaries can legally distribute is determined by referring to their profits as reflected in their financial statements prepared in accordance with the accounting regulations and principles promulgated by the local regulatory bodies. These profits may differ from those dealt with in these financial statements, which are prepared in accordance with IFRSs.

### 41. Other Comprehensive Income

#### (a) Other comprehensive income attributable to equity holders of the parent company in the consolidated statement of financial position

	Investment revaluation reserve	Foreign currency translation reserve	Others	Total
1 January 2023	2,343	(17,241)	(8,858)	(23,756)
Movement during the year	<u>21,704</u>	<u>1,633</u>	<u>(3,659)</u>	<u>19,678</u>
31 December 2023 and 1 January 2024	<b>24,047</b>	<b>(15,608)</b>	<b>(12,517)</b>	<b>(4,078)</b>
Movement during the year	<u>52,918</u>	<u>9,516</u>	<u>(10,661)</u>	<u>51,773</u>
31 December 2024	<u><b>76,965</b></u>	<u><b>(6,092)</b></u>	<u><b>(23,178)</b></u>	<u><b>47,695</b></u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**41. Other Comprehensive Income (continued)**

**(b) Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income**

	2024	2023
Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at FVTOCI	4,088	1,748
Less: Income tax effect	<u>(319)</u>	<u>(218)</u>
	<u>3,769</u>	<u>1,530</u>
(ii) Other comprehensive income recognised under the equity method	43	(7)
(iii) Others	24	(28)
Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at FVTOCI	75,927	30,515
Less: Amount transferred to profit or loss from other comprehensive income	(2,490)	(3,593)
Less: Income tax effect	<u>(18,923)</u>	<u>(5,818)</u>
	<u>54,514</u>	<u>21,104</u>
(ii) Credit losses of debt instruments measured at FVTOCI	(469)	98
Less: Income tax effect	<u>200</u>	<u>107</u>
	<u>(269)</u>	<u>205</u>
(iii) Cash flow hedging reserve:		
Gain during the year	(1,445)	126
Less: Income tax effect	<u>113</u>	<u>(9)</u>
	<u>(1,332)</u>	<u>117</u>
(iv) Other comprehensive income recognised under the equity method	(58)	(372)
(v) Foreign currency translation reserve	9,744	1,823
(vi) Others	<u>(15,246)</u>	<u>(5,145)</u>
	<u>51,189</u>	<u>19,227</u>



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**42. Cash and Cash Equivalents**

	<b>31 December 2024</b>	31 December 2023
Cash on hand	<b>72,069</b>	66,699
Balances with central banks other than restricted deposits	<b>393,112</b>	952,050
Deposits with banks and other financial institutions with original maturity of three months or less	<b>402,017</b>	331,464
Placements with banks and other financial institutions with original maturity of three months or less	<b>325,554</b>	272,302
Reverse repurchase agreements with original maturity of three months or less	<b>1,097,652</b>	1,133,217
	<u><b>2,290,404</b></u>	<u>2,755,732</u>

**43. Interests in Structured Entities**

**(a) Structured entities sponsored by third party institutions in which the Group holds an interest**

The Group holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include investment funds, asset management plans and asset-backed securities, and trust plans and the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issuance of investment products to investors.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**43. Interests in Structured Entities (continued)**

**(a) Structured entities sponsored by third party institutions in which the Group holds an interest (continued)**

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	<b>31 December 2024</b>		31 December 2023	
	<b>Carrying amount</b>	<b>Maximum exposure</b>	Carrying amount	Maximum exposure
Investment funds	<b>36,587</b>	<b>36,587</b>	38,421	38,421
Asset management plans and asset-backed securities	<b>74,943</b>	<b>74,943</b>	85,277	85,277
Trust plans	<b>30,476</b>	<b>30,476</b>	35,859	35,859
	<b><u>142,006</u></b>	<b><u>142,006</u></b>	<u>159,557</u>	<u>159,557</u>

The maximum loss exposures in the above investment funds, asset management plans and asset-backed securities, and trust plans are the carrying amounts which are measured at amortised cost, or the fair value of the investments held by the Group as at the reporting date.

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets were recognised relating to the Group's interests in structured entities sponsored by third party institutions:

	<b>31 December 2024</b>		
	<b>Financial investments measured at FVTPL</b>	<b>Financial investments measured at FVTOCI</b>	<b>Financial investments measured at amortised cost</b>
Investment funds	<b>36,450</b>	<b>137</b>	–
Asset management plans and asset-backed securities	<b>27,921</b>	<b>31,317</b>	<b>15,705</b>
Trust plans	<b>7,143</b>	<b>19,919</b>	<b>3,414</b>
	<b><u>71,514</u></b>	<b><u>51,373</u></b>	<b><u>19,119</u></b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 43. Interests in Structured Entities (continued)

#### (a) Structured entities sponsored by third party institutions in which the Group holds an interest (continued)

	31 December 2023		
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost
Investment funds	38,421	–	–
Asset management plans and asset-backed securities	30,606	26,829	27,842
Trust plans	15,511	19,576	772
	<u>84,538</u>	<u>46,405</u>	<u>28,614</u>

#### (b) Structured entities sponsored by the Group in which the Group does not consolidate but holds an interest

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products and investment funds. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors. Interest held by the Group includes investments in the products issued by these unconsolidated structured entities and fees charged for providing management services. As at 31 December 2024 and 31 December 2023, the carrying amounts of the investments in the products issued by these structured entities and fee receivables being recognised were not significant in the consolidated financial statements. Management fee income earned by the Group was included in fee and commission income of personal wealth management and private banking services and corporate wealth management services set out in Note 7.

As at 31 December 2024, the balance of the unconsolidated non-principal-guaranteed wealth management products and investment funds, which are sponsored by the Group, were RMB2,121,075 million (31 December 2023: RMB1,857,056 million) and RMB2,111,149 million (31 December 2023: RMB1,756,215 million).

In 2024, there were no financing transactions through placements and reverse repurchase agreements from the Group with non-principal-guaranteed wealth management products sponsored by the Group. (2023 average exposure: RMB386 million). The transactions were conducted in the ordinary course of business under normal terms and conditions and at market rates.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **43. Interests in Structured Entities (continued)**

#### **(c) Consolidated structured entities**

The consolidated structured entities of the Group are primarily the certain investment funds, asset-backed securities and asset management plans issued or initiated and invested by the Group or purchased due to regulatory requirements related to wealth management business. 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 variable returns.

### **44. Transferred Financial Assets**

The Group enters into transactions in the ordinary course of business by which it transfers recognised financial assets to third parties or special purpose entities. In some cases, these 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 in the statement of financial position.

#### **Repurchase transactions 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 debt securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or repledge those securities in the absence of default by the Group but has an obligation to return the securities at the maturity of the contract. For securities lent out, if the securities increase or decrease in value, the Group may in certain circumstances require additional cash collateral from counterparties or return part of the cash collateral to counterparties. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 44. Transferred Financial Assets (continued)

#### Securitisation transactions

The Group transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may acquire some asset-backed securities 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 to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

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 Group recognises the assets on the consolidated statement of financial position to the extent of the Group's continuing involvement and the rest is derecognised. The extent of the Group's continuing involvement is the extent of the risks and rewards undertaken by the Group with value changes of the transferred financial assets. As at 31 December 2024, loans with an original carrying amount of RMB627,857 million at the time of transfer (31 December 2023: RMB627,857 million) have been securitised by the Group under arrangements in which the Group retained a continuing involvement in such assets. The carrying amount of assets that the Group continues to recognise on the consolidated statement of financial position was RMB28,723 million as at 31 December 2024 (31 December 2023: RMB73,786 million).

As at 31 December 2024, the carrying amount of asset-backed securities held by the Group in securitisation transactions that were qualified for derecognition was RMB840 million (31 December 2023: RMB791 million), and its maximum exposure approximated to the carrying amount.

With respect to the securitisation of financial assets that do not qualify for derecognition, the relevant financial assets are not derecognised, and the consideration received is recorded as a financial liability. As at 31 December 2024, transferred credit assets that were not qualified for derecognition of the Group amounted to RMB132 million at the time of transfer (31 December 2023: RMB132 million).

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 45. Assets Pledged as Security

The Group's collaterals for liabilities or contingent liabilities include financial assets such as securities and bills, which mainly serve as collaterals for repurchase agreements, securities borrowing, derivatives, or local statutory requirements. As at 31 December 2024, the par value of the financial assets of the Group pledged as collateral amounted to approximately RMB2,202,447 million (31 December 2023: approximately RMB1,474,996 million).

### 46. Share Appreciation Rights Plan

The Bank's share appreciation rights plan was approved in 2006, which allows share appreciation rights to be granted to eligible participants including directors, supervisors, senior management and other key personnel designated by the board of directors. The share appreciation rights will be granted and exercised based on the price of the Bank's H shares and will be valid for 10 years. As at the approval date of these financial statements, no share appreciation rights have been granted.

### 47. Commitments and Contingent Liabilities

#### (a) Capital commitments

At the end of the reporting period, the Group had capital commitments as follows:

	<b>31 December 2024</b>	31 December 2023
Contracted but not provided for	<u><b>19,469</b></u>	<u>26,804</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 47. Commitments and Contingent Liabilities (continued)

#### (b) Credit commitments

The Group has outstanding commitments to extend credit including approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees to guarantee the performance of customers to third parties.

Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of loan commitments and undrawn credit card limits are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the reporting period had the counterparties failed to perform as contracted.

	<b>31 December 2024</b>	31 December 2023
Bank acceptances	<b>908,973</b>	804,061
Guarantees issued		
– Financing letters of guarantees	<b>40,259</b>	32,048
– Non-financing letters of guarantees	<b>625,887</b>	540,709
Sight letters of credit	<b>51,318</b>	53,099
Usance letters of credit	<b>151,732</b>	148,803
Loan commitments		
– With an original maturity of under one year	<b>43,586</b>	34,841
– With an original maturity of one year or over	<b>415,557</b>	443,749
Undrawn credit card limits	<b>1,166,166</b>	1,126,870
	<b><u>3,403,478</u></b>	<u>3,184,180</u>
Credit risk-weighted assets of credit commitments	<b><u>1,190,347</u></b>	<u>1,158,895</u>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 47. Commitments and Contingent Liabilities (continued)

#### (c) Operating leases

The Group acts as a lessor principally through operating leases undertaken by its subsidiary ICBC Leasing. Under irrevocable operating lease contracts, the expected undiscounted minimum lease payments receivable by the Group in the future period amounted to:

	<b>31 December 2024</b>	31 December 2023
Within one year	<b>16,846</b>	18,228
Over one year but within two years	<b>15,033</b>	16,037
Over two years but within three years	<b>13,239</b>	14,878
Over three years but within five years	<b>22,993</b>	23,914
Over five years	<b>44,569</b>	51,414
	<u><b>112,680</b></u>	<u>124,471</u>

#### (d) Legal proceedings and arbitrations

The Group is involved in lawsuits and arbitrations during its normal course of operations. As at 31 December 2024, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB8,655 million (31 December 2023: RMB6,659 million).

In the opinion of management, the Group has made adequate allowance for any probable losses based on the current facts and circumstances, and the ultimate outcome of these lawsuits and arbitrations will not have any significant impact on the financial position or operations of the Group.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 47. Commitments and Contingent Liabilities (continued)

#### (e) Redemption commitments of government bonds and securities underwriting commitments

As an underwriting agent of the MOF, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Bank is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. The MOF will not provide funding for the early redemption of these PRC government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity. The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 31 December 2024 were RMB53,445 million (31 December 2023: RMB57,256 million). Management expects that the redemption obligations of these PRC government bonds by the Bank prior to maturity will not be material.

As at December 31, 2024, the Group's outstanding bond underwriting commitments amounted to RMB400 million (December 31, 2023: nil).

#### (f) Designated funds and loans

	<b>31 December 2024</b>	31 December 2023
Designated funds	<u><b>4,586,796</b></u>	<u>3,857,252</u>
Designated loans	<u><b>4,586,664</b></u>	<u>3,857,046</u>

The designated funds represent the funding that the trustors have instructed the Group to use to make loans to third parties as designated by them. The credit risk remains with the trustors.

The designated loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrust agreements signed by the Group and the trustors. The Group does not bear any risk.

#### (g) Fiduciary activities

The Group provides custody, trust and asset management services to third parties. Revenue from such activities is included in "net fee and commission income" set out in Note 7. Those assets held in a fiduciary capacity are not included in the Group's consolidated statement of financial position.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the reporting year:

#### (a) The 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 2024, the MOF directly owned approximately 31.14% (31 December 2023: approximately 31.14%) of the issued share capital of the Bank. The Group entered into banking transactions with the MOF in its ordinary course of business. Details of the major transactions are as follows:

	<b>31 December 2024</b>	31 December 2023
Balances at end of the year:		
The PRC government bonds and the special government bond	<u><b>3,325,998</b></u>	<u>2,365,572</u>
	<b>2024</b>	2023
Transactions during the year:		
Interest income on the government bonds	<u><b>64,747</b></u>	<u>53,525</u>

Other related party transactions between the Group and enterprises under the control or joint control of the MOF are disclosed in Note 48(i) “Transactions with state-owned entities in the PRC”.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures (continued)

#### (b) Central Huijin Investment Ltd.

Central Huijin Investment Ltd. (“Huijin”) is a wholly-owned subsidiary of China Investment Corporation, and in accordance with the authorisation of the State Government, Huijin makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State Government in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not conduct any other businesses or commercial activities nor intervene in the day-to-day business operations of the financial enterprises in which it invests. Huijin was established on 16 December 2003 with a total registered and paid-in capital of RMB828,209 million. As at 31 December 2024, Huijin directly owned approximately 34.79% (31 December 2023: approximately 34.79%) of the issued share capital of the Bank.

As at 31 December 2024, bonds issued by Huijin (“the Huijin Bonds”) held by the Group were of an aggregate face value of RMB58,897 million (31 December 2023: RMB40,427 million), with terms ranging from two to thirty years and coupon rates ranging from 1.90% to 4.98%. The Huijin Bonds are government-backed bonds, short-term bills and medium-term notes. The Group’s subscription of the Huijin Bonds was conducted in the ordinary course of business, in compliance with relevant regulatory and the corporate governance requirements of the Group.

The Group entered into banking transactions with Huijin in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	<b>31 December 2024</b>	31 December 2023
Balances at end of the year:		
Debt securities purchased	<b>59,573</b>	41,036
Loans and advances to customers	<b>68,139</b>	12,009
Due to customers	<b>35,642</b>	19,374
	<b>2024</b>	2023
Transactions during the year:		
Interest income on debt securities purchased	<b>1,377</b>	1,397
Interest income on loans and advances to customers	<b>2,074</b>	421
Interest expense on amounts due to customers	<b>381</b>	70

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures (continued)

#### (b) Central Huijin Investment Ltd. (continued)

Huijin holds equity interests in certain other banks and financial institutions under the direction of the State Government. The Group entered into transactions with these banks and financial institutions in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Management considers that these banks and financial institutions are competitors of the Group. Details of major transactions conducted with these banks and financial institutions are as follows:

	<b>31 December 2024</b>	31 December 2023
Balances at end of the year:		
Debt securities purchased	<b>1,153,794</b>	821,752
Due from banks and other financial institutions	<b>273,219</b>	212,218
Reverse repurchase agreements	<b>84,763</b>	79,687
Loans and advances to customers	<b>2,544</b>	3,240
Derivative financial assets	<b>6,206</b>	8,058
Due to banks and other financial institutions	<b>396,947</b>	336,930
Repurchase agreements	<b>3,400</b>	3,400
Derivative financial liabilities	<b>31,419</b>	7,582
Due to customers	<b>12,947</b>	10,420
Credit commitments	<b>7,924</b>	7,026
	<b>2024</b>	2023
Transactions during the year:		
Interest income on debt securities purchased	<b>27,655</b>	27,829
Interest income on amounts due from banks and other financial institutions	<b>2,849</b>	1,554
Interest income on reverse repurchase agreements	<b>35</b>	87
Interest income on loans and advances to customers	<b>74</b>	70
Interest expense on amounts due to banks and other financial institutions	<b>5,004</b>	2,539
Interest expense on repurchase agreements	<b>4</b>	0
Interest expense on amounts due to customers	<b>228</b>	123

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**48. Related Party Disclosures (continued)**

**(c) National Council for Social Security Fund of the People’s Republic of China**

National Council for Social Security Fund (the “SSF”) is a public institution managed by the MOF. It is the management and operating organisation of the national social security fund. As at 31 December 2024, the SSF held approximately 5.31% (31 December 2023: approximately 5.38%) of the Bank’s issued share capital. The Group entered into banking transactions with the SSF in the ordinary course of business under normal commercial terms and the transactions were priced based on market rates. Details of the major transactions are as follows:

	<b>31 December 2024</b>	31 December 2023
Balances at end of the year:		
Due to customers	<u><b>75,360</b></u>	<u>64,000</u>
	<b>2024</b>	2023
Transactions during the year:		
Interest expense on amounts due to customers	<u><b>2,560</b></u>	<u>2,306</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures (continued)

#### (d) Subsidiaries

	31 December 2024	31 December 2023
Balances at end of the year:		
Financial investments	39,769	41,126
Due from banks and other financial institutions	366,583	330,455
Reverse repurchase agreements	7,398	12,002
Loans and advances to customers	90,772	108,761
Derivative financial assets	5,971	4,003
Due to banks and other financial institutions	482,000	171,189
Repurchase agreements	2,924	1,904
Derivative financial liabilities	9,303	6,827
Credit commitments	<u>26,354</u>	<u>42,500</u>
	2024	2023
Transactions during the year:		
Interest income on financial investments	2,054	2,048
Interest income on amounts due from banks and other financial institutions	2,685	3,094
Interest income on reverse repurchase agreements	5	12
Interest income on loans and advances to customers	3,746	3,021
Interest expense on amounts due to banks and other financial institutions	6,171	3,737
Interest expense on repurchase agreements	1	50
Fee and commission income	<u>3,788</u>	<u>4,611</u>

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements.



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**48. Related Party Disclosures (continued)**

**(e) Associates and affiliates**

	<b>31 December 2024</b>	31 December 2023
Balances at end of the year:		
Debt securities purchased	–	11,279
Due from banks and other financial institutions	<b>722</b>	6,066
Reverse repurchase agreements	<b>1,837</b>	3,264
Loans and advances to customers	<b>4,894</b>	4,278
Derivative financial assets	<b>1,825</b>	2,436
Due to banks and other financial institutions	<b>2,554</b>	4,120
Due to customers	<b>2,968</b>	1,089
Derivative financial liabilities	<b>1,587</b>	2,271
Credit commitments	<b>8,293</b>	4,293
	<b>2024</b>	2023
Transactions during the year:		
Interest income on debt securities purchased	<b>133</b>	274
Interest income on amounts due from banks and other financial institutions	<b>22</b>	50
Interest income on reverse repurchase agreements	–	1
Interest income on loans and advances to customers	<b>237</b>	174
Interest expense on amounts due to banks and other financial institutions	<b>297</b>	41
Interest expense on amounts due to customers	<b>22</b>	46

Transactions between the Group and the aforementioned parties were conducted under normal commercial terms and conditions and priced based on market rates.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures (continued)

#### (f) Joint ventures and affiliates

	31 December 2024	31 December 2023
Balances at end of the year:		
Loans and advances to customers	217	249
Due to banks and other financial institutions	643	608
Due to customers	<u>139</u>	<u>32</u>
	2024	2023
Transactions during the year:		
Interest income on loans and advances to customers	27	17
Interest expense on amounts due to banks and other financial institutions	4	6
Interest expense on amounts due to customers	<u>3</u>	<u>0</u>

Transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 48. Related Party Disclosures (continued)

#### (g) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the board of directors and the board of supervisors, and executive officers.

The aggregate compensation of key management personnel is as follows:

	<b>2024</b>	2023
	<b>In RMB'000</b>	In RMB'000
Salaries and benefits	<u><b>12,972</b></u>	<u>17,152</u>

The above remuneration before tax payable to key management personnel for 2023 represents the total amount of their annual remunerations, which includes the amount disclosed in the 2023 annual report.

The total compensation packages for the Chairman of the Board of Directors, President, Executive Directors, and other Senior Management members have not been finalised in accordance with the regulations of the PRC relevant authorities. The total remuneration not yet accrued is not expected to have a significant impact on the Group's 2024 consolidated financial statements. The total compensation packages will be further disclosed when determined by the relevant authorities.

Related parties of the Group include key management personnel of the Group and their close relatives, as well as companies controlled, jointly controlled or significantly influenced by key management personnel or their close relatives.

In 2024, there were no material transactions and balances with key management personnel individually or in the aggregate (2023: Immaterial). The Group entered into banking transactions with key management personnel in the ordinary course of business.

The aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of Shanghai Stock Exchange was RMB0.23 million as at 31 December 2024 (31 December 2023: RMB0.21 million).

The Bank's aggregate balance of loans and credit card overdrafts to the persons who are considered as related parties according to the relevant rules of the NFRA was RMB113.31 million as at 31 December 2024 (31 December 2023: RMB64.24 million).

The transactions between the Group and the aforementioned parties were conducted in the ordinary course of business under normal terms and conditions and priced based on market rates.

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **48. Related Party Disclosures (continued)**

#### **(h) Annuity fund**

Apart from the obligations for defined contributions to the annuity fund established by the Bank, annuity fund held A shares of the Bank with market value of RMB42.43 million as at 31 December 2024 (31 December 2023: RMB38.14 million), and bonds issued by the Bank of RMB809.16 million as at 31 December 2024 (31 December 2023: RMB292.72 million).

#### **(i) Transactions with state-owned entities in the PRC**

The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the Government through its authorities, affiliates or other organisations (collectively the “state-owned entities”). During the reporting year, the Group entered into extensive banking transactions with these state-owned entities including, but not limited to, lending and deposit taking, taking and placing of interbank balances, entrusted lending and the provision of intermediary services, the sale, purchase, underwriting and redemption of bonds issued by other state-owned entities, and the sale, purchase, and leasing of properties and other assets.

The transactions with state-owned entities are activities conducted in the ordinary course of business under normal terms and conditions and priced based on market rates, and the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those state-owned entities are ultimately controlled or owned by the Government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are state-owned entities.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**48. Related Party Disclosures (continued)**

**(j) Proportion of major related party transactions**

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements. When calculating the proportion of related party transactions, transactions with the subsidiaries are excluded.

	<b>31 December 2024</b>		31 December 2023	
	<b>Balance</b>	<b>Percentage</b>	Balance	Percentage
Financial investments	<b>4,539,365</b>	<b>32.07%</b>	3,239,639	27.34%
Due from banks and other financial institutions	<b>273,941</b>	<b>22.46%</b>	218,284	19.55%
Reverse repurchase agreements	<b>86,600</b>	<b>7.16%</b>	82,951	6.78%
Loans and advances to customers	<b>75,794</b>	<b>0.27%</b>	19,776	0.08%
Derivative financial assets	<b>8,031</b>	<b>3.61%</b>	10,494	13.93%
Due to banks and other financial institutions	<b>400,144</b>	<b>8.72%</b>	341,658	10.14%
Repurchase agreements	<b>3,400</b>	<b>0.22%</b>	3,400	0.33%
Derivative financial liabilities	<b>33,006</b>	<b>16.69%</b>	9,853	12.92%
Due to customers	<b>127,056</b>	<b>0.36%</b>	94,915	0.28%
Credit commitments	<b>16,217</b>	<b>0.48%</b>	11,319	0.36%
	<b>2024</b>		2023	
	<b>Amount</b>	<b>Percentage</b>	Amount	Percentage
Interest income	<b>99,230</b>	<b>6.95%</b>	85,399	6.08%
Interest expense	<b>8,503</b>	<b>1.08%</b>	5,131	0.68%

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 49. Segment Information

#### (a) Operating segments

The Group is organised into different operating segments, namely corporate banking, personal banking and treasury operations, based on internal organisation structure, management requirements and internal reporting system.

##### Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit-taking activities, corporate wealth management services, custody activities and various types of corporate intermediary services.

##### Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit-taking activities, card business, personal wealth management services and various types of personal intermediary services.

##### Treasury operations

The treasury operations segment covers the Group's treasury operations which include money market transactions, investment securities, foreign exchange transactions and the holding of derivative positions for its own accounts or on behalf of customers.

##### Others

This segment covers the Group's assets, liabilities, income and expenses that are not directly attributable or cannot be allocated to a segment on a reasonable basis.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (a) Operating segments (continued)

Transactions between segments mainly represent the provision of funding to and from individual segments. The internal transfer pricing of these transactions is determined with reference to the market rates and have been reflected in the performance of each segment. Net interest income and expense arising on internal fund transfer are referred to as “internal net interest income or expense”. Net interest income and expense relating to third parties are referred to as “external net interest income or expense”.

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income taxes are managed on a group basis and are not allocated to operating segments.

	2024				Total
	Corporate banking	Personal banking	Treasury operations	Others	
External net interest income	351,117	24,889	261,399	-	637,405
Internal net interest (expense)/income	(43,280)	243,001	(199,721)	-	-
Net fee and commission income	66,602	41,725	1,070	-	109,397
Other income, net (i)	7,890	523	26,927	3,984	39,324
Operating income	382,329	310,138	89,675	3,984	786,126
Operating expenses	(98,394)	(123,792)	(15,937)	(4,032)	(242,155)
Impairment (losses)/gains on assets (ii)	(39,043)	(87,636)	1,532	(1,516)	(126,663)
Operating profit	244,892	98,710	75,270	(1,564)	417,308
Share of results of associates and joint ventures	-	-	-	4,519	4,519
Profit before taxation	244,892	98,710	75,270	2,955	421,827
Income tax expense					(54,881)
Profit for the year					366,946
Other segment information:					
Depreciation and amortisation	10,922	12,730	2,981	112	26,745
Capital expenditure	20,102	24,473	5,534	212	50,321



**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**49. Segment Information (continued)**

**(a) Operating segments (continued)**

	31 December 2024				Total
	Corporate banking	Personal banking	Treasury operations	Others	
Segment assets	19,463,926	9,029,477	20,083,673	154,623	48,731,699
Including: Investments in associates and joint ventures	-	-	-	73,357	73,357
Property and equipment	108,819	140,972	30,283	22,313	302,387
Other non-current assets (iii)	38,610	20,360	6,161	21,172	86,303
Unallocated assets					<u>90,047</u>
Total assets					<u>48,821,746</u>
Segment liabilities	16,419,197	19,534,790	8,684,636	159,699	44,798,322
Unallocated liabilities					<u>36,158</u>
Total liabilities					<u>44,834,480</u>
Other segment information:					
Credit commitments	<u>2,238,406</u>	<u>1,165,072</u>	<u>-</u>	<u>-</u>	<u>3,403,478</u>

(i) Includes net trading income, net gains on financial investments and other net operating expenses.

(ii) Includes credit impairment losses and impairment losses on other assets.

(iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**49. Segment Information (continued)**

**(a) Operating segments (continued)**

	2023				Total
	Corporate banking	Personal banking	Treasury operations	Others	
External net interest income	301,507	62,885	290,621	–	655,013
Internal net interest income/(expense)	232	211,174	(211,406)	–	–
Net fee and commission income	72,556	46,060	741	–	119,357
Other income/(expense), net (i)	7,619	(2,263)	21,464	5,268	32,088
Operating income	381,914	317,856	101,420	5,268	806,458
Operating expenses	(98,156)	(120,738)	(15,881)	(3,923)	(238,698)
Impairment (losses)/gains on assets (ii)	(96,812)	(46,644)	(8,374)	1,014	(150,816)
Operating profit	186,946	150,474	77,165	2,359	416,944
Share of results of associates and joint ventures	–	–	–	5,022	5,022
Profit before taxation	186,946	150,474	77,165	7,381	421,966
Income tax expense					(56,850)
Profit for the year					<u>365,116</u>
Other segment information:					
Depreciation and amortisation	11,031	13,138	2,822	108	27,099
Capital expenditure	17,386	21,020	4,454	173	43,033

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (a) Operating segments (continued)

	31 December 2023				Total
	Corporate banking	Personal banking	Treasury operations	Others	
Segment assets	17,203,589	8,983,095	18,228,557	177,169	44,592,410
Including: Investments in associates and joint ventures	–	–	–	64,778	64,778
Property and equipment	108,123	137,558	27,917	25,280	298,878
Other non-current assets (iii)	42,654	19,802	5,487	8,549	76,492
Unallocated assets					<u>104,669</u>
Total assets					<u>44,697,079</u>
Segment liabilities	16,989,789	17,454,497	6,226,481	182,472	40,853,239
Unallocated liabilities					<u>67,252</u>
Total liabilities					<u>40,920,491</u>
Other segment information:					
Credit commitments	<u>2,058,377</u>	<u>1,125,803</u>	<u>–</u>	<u>–</u>	<u>3,184,180</u>

- (i) Includes net trading income, net gains on financial investments and other net operating income and expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 49. Segment Information (continued)

#### (b) Geographical information

The Group operates principally in Chinese mainland, and also has branches or subsidiaries operating outside Chinese mainland. The distribution of the geographical areas is as follows.

Chinese mainland (Head Office and domestic branches)

Head Office (“HO”): the HO business divisions (including institutions directly managed by the HO and its offices);

Yangtze River Delta: including Shanghai, Jiangsu, Zhejiang and Ningbo;

Pearl River Delta: including Guangdong, Shenzhen, Fujian and Xiamen;

Bohai Rim: including Beijing, Tianjin, Hebei, Shandong and Qingdao;

Central China: including Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan;

Western China: including Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Tibet; and

Northeastern China: including Liaoning, Heilongjiang, Jilin and Dalian.

Overseas and others

Branches located outside Chinese mainland, domestic and overseas subsidiaries, and investments in associates and joint ventures.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (b) Geographical information (continued)

	2024									
	Chinese mainland (HO and domestic branches)									Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and others	Eliminations	
External net interest income/(expense)	309,990	69,548	59,671	(23,811)	70,210	95,685	2,633	53,479	-	637,405
Internal net interest (expense)/income	(343,871)	63,424	33,825	173,886	32,743	20,897	24,650	(5,554)	-	-
Net fee and commission income	30,898	19,410	12,503	14,609	8,673	9,135	1,950	13,544	(1,325)	109,397
Other income/(expense), net (i)	26,593	(891)	(925)	(975)	(85)	(795)	560	14,550	1,292	39,324
Operating income	23,610	151,491	105,074	163,709	111,541	124,922	29,793	76,019	(33)	786,126
Operating expenses	(26,847)	(37,865)	(26,846)	(39,395)	(33,754)	(38,684)	(13,550)	(25,247)	33	(242,155)
Impairment gains/(losses) on assets (ii)	35,376	(32,911)	(34,352)	(21,584)	(28,413)	(30,558)	(5,189)	(9,032)	-	(126,663)
Operating profit	32,139	80,715	43,876	102,730	49,374	55,680	11,054	41,740	-	417,308
Share of results of associates and joint ventures	-	-	-	-	-	-	-	4,519	-	4,519
Profit before taxation	32,139	80,715	43,876	102,730	49,374	55,680	11,054	46,259	-	421,827
Income tax expense	-	-	-	-	-	-	-	-	-	(54,881)
Profit for the year	-	-	-	-	-	-	-	-	-	366,946
Other segment information:										
Depreciation and amortisation	4,396	4,140	2,785	3,916	3,610	4,083	1,484	2,331	-	26,745
Capital expenditure	5,489	3,152	2,616	3,191	2,401	2,921	850	29,701	-	50,321

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (b) Geographical information (continued)

	31 December 2024											
	Chinese mainland (HO and domestic branches)									Overseas and others	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China					
Assets by geographical areas	7,841,046	12,434,709	7,718,129	7,246,667	5,406,280	6,270,179	1,696,003	5,753,936	(5,635,250)	48,731,699		
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	73,357	-	73,357		
Property and equipment	11,869	30,333	13,457	18,533	16,764	20,374	7,490	183,567	-	302,387		
Other non-current assets (iii)	18,869	6,878	5,741	6,897	8,377	9,832	2,140	27,641	(72)	86,303		
Unallocated assets										<u>90,047</u>		
Total assets										<u>48,821,746</u>		
Liabilities by geographical areas	4,716,988	11,143,759	6,759,439	11,183,389	5,441,641	5,672,095	2,560,972	2,955,289	(5,635,250)	44,798,322		
Unallocated liabilities										<u>36,158</u>		
Total liabilities										<u>44,834,480</u>		
Other segment information:												
Credit commitments	<u>1,182,427</u>	<u>1,809,734</u>	<u>1,083,228</u>	<u>1,190,983</u>	<u>859,622</u>	<u>954,749</u>	<u>178,126</u>	<u>834,035</u>	<u>(4,689,426)</u>	<u>3,403,478</u>		

- (i) Includes net trading income, net gains on financial investments and other net operating expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (b) Geographical information (continued)

	2023										
	Chinese mainland (HO and domestic branches)								Overseas and others	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China				
External net interest income/(expense)	325,228	61,311	63,780	(12,379)	71,307	96,072	4,604	45,090	-	655,013	
Internal net interest (expense)/income	(349,200)	73,626	37,282	158,627	35,925	25,492	23,176	(4,928)	-	-	
Net fee and commission income	30,106	21,597	14,911	17,021	10,576	11,680	2,739	12,232	(1,505)	119,357	
Other income/(expense), net (i)	18,762	(818)	(707)	(1,277)	(602)	(766)	(90)	16,139	1,447	32,088	
Operating income	24,896	155,716	115,266	161,992	117,206	132,478	30,429	68,533	(58)	806,458	
Operating expenses	(26,727)	(37,168)	(27,117)	(38,395)	(34,320)	(39,076)	(13,242)	(22,711)	58	(238,698)	
Impairment losses on assets (ii)	(14,547)	(22,613)	(27,990)	(19,273)	(25,326)	(22,577)	(5,980)	(12,510)	-	(150,816)	
Operating profit	(16,378)	95,935	60,159	104,324	57,560	70,825	11,207	33,312	-	416,944	
Share of results of associates and joint ventures	-	-	-	-	-	-	-	5,022	-	5,022	
Profit before taxation	(16,378)	95,935	60,159	104,324	57,560	70,825	11,207	38,334	-	421,966	
Income tax expense										(56,850)	
Profit for the year										<u>365,116</u>	
Other segment information:											
Depreciation and amortisation	4,719	4,093	2,795	3,927	3,617	4,194	1,538	2,216	-	27,099	
Capital expenditure	4,125	3,120	2,545	3,294	2,926	2,936	882	23,205	-	<u>43,033</u>	



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 49. Segment Information (continued)

#### (b) Geographical information (continued)

	31 December 2023										
	Chinese mainland (HO and domestic branches)								Overseas and others	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China				
Assets by geographical areas	8,502,997	10,215,437	6,993,931	6,680,826	4,946,259	5,743,425	1,597,213	4,255,879	(4,343,557)	44,592,410	
Including: Investments in associates and joint ventures	-	-	-	-	-	-	-	64,778	-	64,778	
Property and equipment	11,663	31,346	13,544	19,297	18,074	21,517	7,996	175,441	-	298,878	
Other non-current assets (iii)	17,001	7,087	6,253	6,837	8,392	9,998	2,338	18,756	(170)	76,492	
Unallocated assets										<u>104,669</u>	
Total assets										<u>44,697,079</u>	
Liabilities by geographical areas	5,554,090	9,781,890	6,342,124	10,346,856	4,965,877	5,207,532	1,986,209	1,012,218	(4,343,557)	40,853,239	
Unallocated liabilities										<u>67,252</u>	
Total liabilities										<u>40,920,491</u>	
Other segment information:											
Credit commitments	<u>1,140,709</u>	<u>1,742,306</u>	<u>1,132,348</u>	<u>1,305,493</u>	<u>735,849</u>	<u>878,791</u>	<u>170,587</u>	<u>788,274</u>	<u>(4,710,177)</u>	<u>3,184,180</u>	

- (i) Includes net trading income, net gains on financial investments and other net operating income and expenses.
- (ii) Includes credit impairment losses and impairment losses on other assets.
- (iii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management

The board of directors (the “Board”) has the ultimate responsibility for risk management and oversees the Group’s risk management system through the Risk Management Committee and the Audit Committee of the Board.

The President supervises risk management and reports directly to the Board. He chairs two management committees including the Risk Management Committee and the Asset and Liability Management Committee, which set the risk management strategies and appetite, evaluate and formulate risk management policies and procedures, and make recommendations through the President to the Risk Management Committee of the Board. The Chief Risk Officer assists the President to supervise the Bank’s risk management and make decisions.

The Group has clearly defined the roles of each department in monitoring financial risks within the Group. The Credit Management Department monitors credit risk, the Risk Management Department together with the Asset and Liability Management Department monitor market and liquidity risks, and the Internal Control and Compliance Department monitors operational risk. The Risk Management Department is primarily responsible for establishing and coordinating a comprehensive risk management framework, preparing consolidated reports on credit risk, market risk and operational risk and reporting directly to the Chief Risk Officer.

The Bank maintains a dual-reporting risk management structure at the branch level. Under this structure, the risk management department of the branches report to both the Group Risk Management Department and the management of the branches.

#### (a) Credit risk

##### Definition and scope

Credit risk is the risk of loss arising from a borrower or counterparty’s failure to perform its obligations. Operational failures which result in unauthorised or inappropriate guarantees, financial commitments or investments by the Group may also give rise to credit risk. The Group’s credit risk is mainly attributable to its credit assets, due from banks and other financial institutions and financial investments.

The Group is also exposed to credit risk in other areas. The credit risk arising from derivative financial instruments is limited to derivative financial assets recorded in the consolidated statement of financial position. In addition, the Group provides guarantees for customers and may therefore be required to make payments on their behalf. These payments would be recovered from customers in accordance with the terms of the agreement. Therefore, the Group assumes a credit risk similar to that arising from loans and applies the same risk control procedures and policies to reduce risks.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Credit risk assessment method

##### *Staging of financial instruments*

The Group classifies financial instruments into three stages and makes provisions for expected credit loss accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether the assets have been credit-impaired. Refer to Note 4(10) Impairment of financial assets for the definition of the three stages.

##### *Classification of credit risk exposures*

The Group classifies credit risk exposures of expected credit losses with sufficient information by considering factors such as internal ratings-based (“IRB”) segmentation, product types, customer types, industry risk characteristics, and response to macro-economic changes.

##### *Significant increase in credit risk*

The assessment of significant increase in credit risk since initial recognition is performed at least on a quarterly basis for financial instruments held by the Group. The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of staging of financial instruments. The main considerations are regulatory and operating environment, internal and external credit risk rating, debt-servicing capacity, operating capabilities, contractual terms, and repayment behaviour and willingness. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the end of the reporting period and its risk of default at the date of initial recognition to determine changes in the risk of default over the expected lifetime of a financial instrument or a portfolio of financial instruments. In determining whether credit risk of a financial instrument has increased significantly since initial recognition, the Group considers factors indicating whether the probability of default has risen above threshold, the background for financing have been authenticated, the financial instrument has been past due for more than 30 days, the loan has been modified in payment term of principal or interest, any significant negative issue has been arisen and any other indicators of increase in risk have been noticed.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Definition of default

The Group defines a corporate borrower as in default when it meets one or more of the following criteria:

- (i) The principal or interest of any credit business is past due more than 90 days (not inclusive) to the Group;
- (ii) The corporate borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral; or
- (iii) The corporate borrower has the matters refer to in (i) or (ii) above in other financial institutions.

The Group defines a retail business borrower as in default when any single credit asset of a borrower meets one or more of the following criteria:

- (i) The principal or interest of loan is past due more than 90 days (not inclusive);
- (ii) Write-offs of loan; or
- (iii) The retail business borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Impairment assessment

A financial asset is generally considered to be credit-impaired if:

- it has been overdue for more than 90 days (not inclusive);
- in light of economic, legal or other factors, the Group has made concessions to a borrower in financial difficulties, which would otherwise have been impossible under normal circumstances;
- it is probable that the borrower will be insolvent or carry out other financial restructurings;
- due to serious financial difficulties, the financial asset cannot continue to be traded in an active market; and
- there are other objective evidences that indicate the financial asset is impaired.

##### Parameters, assumptions and estimation techniques

Loss allowance for a financial instrument is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk on that financial instrument has occurred since initial recognition and whether an asset is considered to be credit-impaired. ECL for loans and advances to customers, other than those corporate loans and advance to customers which are credit-impaired, is measured using the risk parametric modelling method. The key parameters include Probability of Default (“PD”), Loss Given Default (“LGD”), and Exposure at Default (“EAD”), considering the time value of money.

PD is the possibility that a customer will default on its obligation within a certain period of time in light of forward-looking information. The Group’s PD is adjusted based on the results of the IRB approach under the New Basel Capital Accord, taking the forward-looking information into account and deducting the prudential adjustment to reflect the debtor’s point-in-time PD under the current macro-economic environment.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Parameters, assumptions and estimation techniques (continued)

LGD is the magnitude of the likely loss if there is a default in light of forward-looking information. LGD depends on the type of counterparty, the method and priority of the recourse, and the type of collateral, taking the forward-looking adjustments into account.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on the historical repayment records.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are monitored and reviewed on a quarterly basis by the Group.

The calculation of impairment loss on credit-impaired corporate loans and advance to customers applies the discounted cash flow method. If there is objective evidence that an impairment loss on a loan or advance has incurred, the amount of the loss is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's effective interest rate. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in the consolidated statement of profit or loss. In determining allowances, the following factors are considered:

- the sustainability of the borrower's business plan;
- the borrower's ability to improve performance when a financial difficulty arises;
- the estimated recoverable cash flows from projects and liquidation;
- the availability of other financial support and the realisable value of collateral; and
- the timing of the expected cash flows.

It may not be possible to identify a single, or discrete events that result in the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of each reporting period unless there are other unforeseen circumstances.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Forward-looking information contained in ECL

The assessment of significant increase in credit risk and the calculation of ECL incorporate forward-looking information. The Group has performed historical data analysis and identified Gross Domestic Product (“GDP”), Consumer Price Index (“CPI”), Broad Money Supply (“M2”), Consumer Confidence Index and other macro-economic indicators as impacting the ECL for each portfolio. The impact of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the correlations among the historical changes of the economic variables, PD and LGD. The impact of these economic variables on the PD and LGD varies according to different types of business. Forecasts of these economic variables are carried out at least quarterly by the Group to provide the best estimate view of the economy over the next year.

When calculating the weighted average ECL provision, the Group determines the optimistic, neutral and pessimistic scenarios and their weightings through a combination of macro-statistical analysis and expert judgement. The optimistic and pessimistic scenarios are of comparable weightings, of which, the weighting of neutral scenario is slightly higher than that of the other two scenarios. The weightings of the scenarios are consistent with those as at 31 December 2023.

As at 31 December 2024, the Group has taken into account different macro-economic scenarios, combined with the impact of factors such as effect of prior period base data on economic development trends, and made forward-looking forecasts of macro-economic indicators. Of which, the year-on-year GDP growth rate used to estimate ECL under neutral scenario is about 5%, and forecasts under optimistic scenario and pessimistic scenario are formed by floating up and down a certain level respectively on the basis of the forecast under neutral scenario.

The Group has carried out sensitivity analysis of macro-economic indicators used in forward-looking measurement. As at 31 December 2024, when the key economic indicators in the neutral scenario moved up or down by 10%, the ECL changed by no more than no more than 5% (31 December 2023: no more than 5%).



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Financial assets contract modification

The Group might modify the terms of loan with a customer based on commercial renegotiations, or when the customer is in financial difficulty, with a view to maximising the recovery of loan.

Such modifications include restructuring the loan to provide extended payment term arrangements, payment holidays or payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue, and these policies and practices are reviewed regularly. Such restructures are especially common for medium-term and long-term loans.

During the year, in accordance with the requirements of the Initiative on Batch Adjustment of the Interest Rate of Outstanding Housing Loans issued by the Market Interest Rate Pricing Self-Regulatory Mechanism guided by the People's Bank of China, the Group implemented batch adjustment of the interest rate of eligible outstanding residential mortgages (including those for the first, second and above houses). For the accounting policies of the Group on relevant adjustments, please refer to Note 4 (11) Modification of Financial Asset Contracts in the financial report.

The following table includes carrying amount of rescheduled loans and advance to customers:

	<b>31 December 2024</b>	31 December 2023
Rescheduled loans and advances to customers	<b>139,086</b>	82,723
Including: Impaired loans and advances to customers	<b><u>41,821</u></b>	<u>15,607</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills and marketable securities. As part of certain reverse repurchase agreements, the Group has received collateral that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans and discounted bills are mainly collateralised by properties or other assets. As at 31 December 2024, the gross carrying amount of corporate loans and discounted bills amounted to RMB19,414,509 million (31 December 2023: RMB17,432,861 million), of which credit exposure covered by collateral amounted to RMB4,779,598 million (31 December 2023: RMB5,344,849 million).

Personal loans are mainly collateralised by residential properties. As at 31 December 2024, the gross carrying amount of personal loans amounted to RMB8,957,720 million (31 December 2023: RMB8,653,621 million), of which credit exposure covered by collateral amounted to RMB7,590,566 million (31 December 2023: RMB7,719,465 million).

The Group prefers more liquid collateral with relatively stable market value and does not accept collateral that is illiquid, with difficulties in registration or high fluctuations in market value. The value of collateral should be appraised and confirmed by the Group or valuation agencies engaged by the Group. The value of collateral should adequately cover the outstanding balance of loans. The Group takes into consideration the types of collateral, state of condition, liquidity, price volatility and realisation cost to determine the loan-to-value ratio of collateral. All collateral has to be registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of collateral regularly.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

The Group monitors the market value of the collateral and when needed, require additional collateral according to agreements. The Group disposes of repossessed assets in an orderly manner.

- (i) Maximum exposure to credit risk without taking into account of any collateral and other credit enhancements

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking into account any collateral and other credit enhancements is set out below:

	<b>31 December 2024</b>	31 December 2023
Balances with central banks	<b>3,250,842</b>	3,975,594
Due from banks and other financial institutions	<b>1,219,876</b>	1,116,717
Derivative financial assets	<b>222,361</b>	75,339
Reverse repurchase agreements	<b>1,210,217</b>	1,224,257
Loans and advances to customers	<b>27,613,781</b>	25,386,933
Financial investments		
Financial investments measured at FVTPL	<b>770,192</b>	578,595
Financial investments measured at FVTOCI	<b>3,205,926</b>	2,148,073
Financial investments measured at amortised cost	<b>9,851,985</b>	8,806,849
Others	<b>131,680</b>	107,719
	<b><u>47,476,860</u></b>	<u>43,420,076</u>
Credit commitments	<b><u>3,403,478</u></b>	<u>3,184,180</u>
Maximum credit risk exposure	<b><u><u>50,880,338</u></u></b>	<u><u>46,604,256</u></u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (ii) Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location or have comparable economic features. In addition, different geographic areas and industrial sectors have their unique characteristics in terms of economic development, and could present a different credit risk.

##### (1) Loans and advances to customers

##### By geographical distribution

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by geographical distribution is as follows:

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Head Office	874,284	3.08%	754,746	2.89%
Yangtze River Delta	6,182,636	21.78%	5,616,187	21.53%
Pearl River Delta	4,348,121	15.33%	4,055,692	15.54%
Bohai Rim	4,677,575	16.49%	4,285,481	16.44%
Central China	4,416,409	15.57%	4,064,415	15.58%
Western China	5,233,652	18.45%	4,766,575	18.27%
Northeastern China	1,158,000	4.08%	1,082,666	4.15%
Overseas and others	1,481,552	5.22%	1,460,720	5.60%
Total	<u>28,372,229</u>	<u>100.00%</u>	<u>26,086,482</u>	<u>100.00%</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (ii) Risk concentrations (continued)

##### (1) Loans and advances to customers (continued)

By industry

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by industry is as follows:

	<b>31 December 2024</b>	31 December 2023
Transportation, storage and postal services	<b>4,051,167</b>	3,782,387
Manufacturing	<b>2,575,716</b>	2,454,786
Leasing and commercial services	<b>2,523,970</b>	2,396,063
Water, environment and public utility management	<b>1,863,449</b>	1,742,614
Production and supply of electricity, heating, gas and water	<b>1,868,505</b>	1,690,911
Real estate	<b>1,110,747</b>	1,014,138
Wholesale and retail	<b>831,967</b>	757,022
Finance	<b>842,033</b>	635,529
Construction	<b>516,972</b>	462,957
Science, education, culture and sanitation	<b>426,677</b>	410,202
Mining	<b>374,331</b>	340,250
Others	<b>496,689</b>	458,345
	<hr/>	<hr/>
Subtotal for corporate loans	<b>17,482,223</b>	16,145,204
	<hr/>	<hr/>
Personal mortgage and business loans	<b>7,761,161</b>	7,635,604
Others	<b>1,196,559</b>	1,018,017
	<hr/>	<hr/>
Subtotal for personal loans	<b>8,957,720</b>	8,653,621
	<hr/>	<hr/>
Discounted bills	<b>1,932,286</b>	1,287,657
	<hr/>	<hr/>
Total for loans and advances to customers	<b>28,372,229</b>	26,086,482
	<hr/> <hr/>	<hr/> <hr/>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(ii) Risk concentrations (continued)

(1) Loans and advances to customers (continued)

By collateral

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by collateral is as follows:

	<b>31 December 2024</b>	31 December 2023
Unsecured loans	<b>11,078,420</b>	9,947,491
Guaranteed loans	<b>2,708,808</b>	2,715,345
Loans secured by mortgages	<b>10,787,880</b>	10,444,304
Pledged loans	<b><u>3,797,121</u></b>	<u>2,979,342</u>
Total	<b><u><u>28,372,229</u></u></b>	<u><u>26,086,482</u></u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (ii) Risk concentrations (continued)

##### (1) Loans and advances to customers (continued)

##### Overdue loans

The composition of the Group's gross overdue loans (excluding accrued interest) by collateral is as follows:

	31 December 2024				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	35,138	40,223	37,036	13,592	125,989
Guaranteed loans	9,712	17,125	23,011	6,611	56,459
Loans secured by mortgages	76,542	61,971	61,143	17,870	217,526
Pledged loans	968	1,260	3,456	1,081	6,765
<b>Total</b>	<b>122,360</b>	<b>120,579</b>	<b>124,646</b>	<b>39,154</b>	<b>406,739</b>
	31 December 2023				Total
	Overdue for 1 to 90 days	Overdue for 91 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	
Unsecured loans	31,987	33,514	29,897	7,368	102,766
Guaranteed loans	13,790	19,151	16,805	11,400	61,146
Loans secured by mortgages	58,876	48,272	37,285	14,429	158,862
Pledged loans	2,583	952	3,131	984	7,650
<b>Total</b>	<b>107,236</b>	<b>101,889</b>	<b>87,118</b>	<b>34,181</b>	<b>330,424</b>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (ii) Risk concentrations (continued)

##### (2) Debt securities investments

By issuers

The following tables present an analysis of the Group's debt securities investments (excluding accrued interest) by types of issuers and investments:

	31 December 2024			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	402,632	1,673,679	8,346,596	10,422,907
Policy banks	35,688	512,411	549,026	1,097,125
Banks and other financial institutions	230,594	398,174	769,838	1,398,606
Corporate entities	70,067	588,449	67,768	726,284
	<u>738,981</u>	<u>3,172,713</u>	<u>9,733,228</u>	<u>13,644,922</u>

	31 December 2023			Total
	Financial investments measured at FVTPL	Financial investments measured at FVTOCI	Financial investments measured at amortised cost	
Governments and central banks	187,365	1,076,400	7,495,472	8,759,237
Policy banks	34,375	184,168	593,403	811,946
Banks and other financial institutions	231,388	293,463	540,296	1,065,147
Corporate entities	87,041	566,522	67,834	721,397
	<u>540,169</u>	<u>2,120,553</u>	<u>8,697,005</u>	<u>11,357,727</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (ii) Risk concentrations (continued)

##### (2) Debt securities investments (continued)

##### By rating

The Group adopts a credit rating approach to manage the credit risk of the debt securities portfolio held. The ratings are obtained from Bloomberg Composite, or major rating agencies in the countries where the issuers of debt securities are located. The carrying amounts of debt securities investments (excluding accrued interest) analysed by rating as at the end of the reporting period are as follows:

	31 December 2024					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	3,330,132	6,825,677	124,512	77,960	64,626	10,422,907
Policy banks	923,671	79,897	37,269	55,829	459	1,097,125
Banks and other financial institutions	611,520	380,105	68,488	219,349	119,144	1,398,606
Corporate entities	181,918	378,178	11,860	119,431	34,897	726,284
	<u>5,047,241</u>	<u>7,663,857</u>	<u>242,129</u>	<u>472,569</u>	<u>219,126</u>	<u>13,644,922</u>
	31 December 2023					Total
	Unrated	AAA	AA	A	Below A	
Governments and central banks	2,461,141	6,139,412	63,270	52,824	42,590	8,759,237
Policy banks	732,015	55,943	8,934	11,754	3,300	811,946
Banks and other financial institutions	409,850	380,700	47,941	173,791	52,865	1,065,147
Corporate entities	159,202	391,268	5,943	121,625	43,359	721,397
	<u>3,762,208</u>	<u>6,967,323</u>	<u>126,088</u>	<u>359,994</u>	<u>142,114</u>	<u>11,357,727</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Collateral and other credit enhancements (continued)

##### (iii) Three-stage analysis of financial instruments' risk exposure

The Group's credit risk stages of financial instruments are as follows:

	31 December 2024							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets measured at amortised cost</b>								
Cash and balances with central banks	3,322,911	-	-	3,322,911	-	-	-	-
Due from banks and other financial institutions	1,224,065	-	158	1,224,223	(4,189)	-	(158)	(4,347)
Reverse repurchase agreements	1,189,933	-	-	1,189,933	(33)	-	-	(33)
Loans and advances to customers	25,300,817	795,620	379,423	26,475,860	(354,083)	(156,502)	(304,487)	(815,072)
Financial investments	9,885,410	1,836	3,142	9,890,388	(35,540)	(11)	(2,852)	(38,403)
<b>Total</b>	<b>40,923,136</b>	<b>797,456</b>	<b>382,723</b>	<b>42,103,315</b>	<b>(393,845)</b>	<b>(156,513)</b>	<b>(307,497)</b>	<b>(857,855)</b>
<b>Financial assets measured at FVTOCI</b>								
Loans and advances to customers	1,947,015	938	35	1,947,988	(353)	(51)	(21)	(425)
Financial investments	3,196,321	9,203	402	3,205,926	(4,565)	(635)	(3,825)	(9,025)
<b>Total</b>	<b>5,143,336</b>	<b>10,141</b>	<b>437</b>	<b>5,153,914</b>	<b>(4,918)</b>	<b>(686)</b>	<b>(3,846)</b>	<b>(9,450)</b>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

Collateral and other credit enhancements (continued)

(iii) Three-stage analysis of financial instruments' risk exposure (continued)

	31 December 2023							
	Gross carrying amount				Provision for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets measured at amortised cost</b>								
Cash and balances with central banks	4,042,293	-	-	4,042,293	-	-	-	-
Due from banks and other financial institutions	1,120,116	-	161	1,120,277	(3,399)	-	(161)	(3,560)
Reverse repurchase agreements	1,183,840	-	-	1,183,840	(97)	-	-	(97)
Loans and advances to customers	23,773,666	714,114	353,465	24,841,245	(342,730)	(156,240)	(257,031)	(756,001)
Financial investments	<u>8,840,215</u>	<u>2,214</u>	<u>3,139</u>	<u>8,845,568</u>	<u>(36,009)</u>	<u>(11)</u>	<u>(2,699)</u>	<u>(38,719)</u>
<b>Total</b>	<u><u>38,960,130</u></u>	<u><u>716,328</u></u>	<u><u>356,765</u></u>	<u><u>40,033,223</u></u>	<u><u>(382,235)</u></u>	<u><u>(156,251)</u></u>	<u><u>(259,891)</u></u>	<u><u>(798,377)</u></u>
<b>Financial assets measured at FVTOCI</b>								
Loans and advances to customers	1,295,548	-	37	1,295,585	(361)	-	(29)	(390)
Financial investments	<u>2,136,289</u>	<u>11,509</u>	<u>275</u>	<u>2,148,073</u>	<u>(4,835)</u>	<u>(964)</u>	<u>(3,769)</u>	<u>(9,568)</u>
<b>Total</b>	<u><u>3,431,837</u></u>	<u><u>11,509</u></u>	<u><u>312</u></u>	<u><u>3,443,658</u></u>	<u><u>(5,196)</u></u>	<u><u>(964)</u></u>	<u><u>(3,798)</u></u>	<u><u>(9,958)</u></u>

As at 31 December 2024 and 2023, credit risk exposures of credit commitments were mainly classified in Stage 1.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(b) Liquidity risk**

Liquidity risk is the risk that funds will not be sufficient or raised at a reasonable cost in a timely manner to meet the need of asset growth or repayment of debts due, although the Group remains solvent. This may arise from amount or maturity mismatches of assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims at:

- optimising the structure of assets and liabilities;
- maintaining the stability of the deposit base;
- projecting cash flows and evaluating the level of current assets; and
- maintaining an efficient internal fund transfer mechanism to ensure sufficient liquidity at branch level.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (i) Maturity analysis of assets and liabilities

The tables below summarise the maturity profile of the Group's assets and liabilities. The actual remaining maturity of the Group's financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Assets:</b>								
Cash and balances with central banks	663,560	12,057	3,989	6,993	1,419	-	2,634,893	3,322,911
Due from banks and other financial institutions (i)	376,826	1,411,071	274,396	324,274	43,526	-	-	2,430,093
Derivative financial assets	-	40,353	56,970	106,761	12,752	5,525	-	222,361
Loans and advances to customers	55,352	1,401,798	1,524,797	5,809,922	5,157,599	13,541,001	123,312	27,613,781
Financial investments								
Financial investments measured at FVTPL	115,122	10,507	34,325	277,426	249,601	211,580	111,878	1,010,439
Financial investments measured at FVTOCI	-	118,609	263,122	615,595	1,442,912	765,555	85,359	3,291,152
Financial investments measured at amortised cost	-	111,481	220,800	1,467,655	3,388,429	4,663,189	431	9,851,985
Investments in associates and joint ventures	-	-	-	-	-	-	73,357	73,357
Property and equipment	-	-	-	-	-	-	302,387	302,387
Others	183,447	233,352	41,809	72,476	28,340	32,073	111,783	703,280
<b>Total assets</b>	<b>1,394,307</b>	<b>3,339,228</b>	<b>2,420,208</b>	<b>8,681,102</b>	<b>10,324,578</b>	<b>19,218,923</b>	<b>3,443,400</b>	<b>48,821,746</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (i) Maturity analysis of assets and liabilities (continued)

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Liabilities:</b>								
Due to central banks	-	9,874	46,175	113,573	-	-	-	169,622
Due to banks and other financial institutions (ii)	2,757,012	844,462	638,061	1,571,697	297,196	6,092	-	6,114,520
Financial liabilities measured at FVTPL	66,164	2,459	895	4,615	1,669	254	-	76,056
Derivative financial liabilities	-	48,034	53,927	80,581	11,533	3,720	-	197,795
Certificates of deposit	-	59,484	15,729	327,008	43,198	-	-	445,419
Due to customers	13,778,148	1,781,556	2,736,664	7,896,577	8,631,898	12,130	-	34,836,973
Debt securities issued	-	149,859	138,098	826,703	229,287	684,775	-	2,028,722
Others	-	368,453	167,171	118,288	145,613	165,848	-	965,373
<b>Total liabilities</b>	<b>16,601,324</b>	<b>3,264,181</b>	<b>3,796,720</b>	<b>10,939,042</b>	<b>9,360,394</b>	<b>872,819</b>	<b>-</b>	<b>44,834,480</b>
<b>Net liquidity gap</b>	<b>(15,207,017)</b>	<b>75,047</b>	<b>(1,376,512)</b>	<b>(2,257,940)</b>	<b>964,184</b>	<b>18,346,104</b>	<b>3,443,400</b>	<b>3,987,266</b>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (i) Maturity analysis of assets and liabilities (continued)

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Assets:</b>								
Cash and balances with central banks	1,192,880	4,640	3,980	2,908	5,086	–	2,832,799	4,042,293
Due from banks and other financial institutions (i)	337,094	1,458,823	178,151	327,184	39,718	4	–	2,340,974
Derivative financial assets	–	9,989	17,197	30,865	11,194	6,094	–	75,339
Loans and advances to customers	36,677	1,233,059	1,299,690	4,848,837	4,967,058	12,873,541	128,071	25,386,933
Financial investments								
Financial investments measured at FVTPL	81,529	9,082	22,165	235,722	156,408	201,903	105,148	811,957
Financial investments measured at FVTOCI	–	132,916	94,002	425,812	852,277	643,039	82,816	2,230,862
Financial investments measured at amortised cost	–	104,586	338,685	875,813	3,345,609	4,141,536	620	8,806,849
Investments in associates and joint ventures	–	–	–	–	–	–	64,778	64,778
Property and equipment	–	–	–	–	–	–	298,878	298,878
Others	115,927	222,172	40,247	50,709	61,395	45,949	101,817	638,216
<b>Total assets</b>	<b>1,764,107</b>	<b>3,175,267</b>	<b>1,994,117</b>	<b>6,797,850</b>	<b>9,438,745</b>	<b>17,912,066</b>	<b>3,614,927</b>	<b>44,697,079</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (i) Maturity analysis of assets and liabilities (continued)

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iii)	
<b>Liabilities:</b>								
Due to central banks	-	6,549	66,676	158,149	-	-	-	231,374
Due to banks and other financial institutions (ii)	2,685,751	458,379	284,933	907,359	46,034	5,508	-	4,387,964
Financial liabilities measured at FVTPL	56,799	141	123	633	4,847	316	-	62,859
Derivative financial liabilities	-	17,999	20,057	22,859	10,909	4,427	-	76,251
Certificates of deposit	-	58,396	122,826	182,299	21,677	-	-	385,198
Due to customers	13,683,549	1,830,012	2,325,939	6,986,876	8,679,518	15,280	-	33,521,174
Debt securities issued	-	17,813	106,187	352,234	215,269	678,274	-	1,369,777
Others	-	268,158	132,389	149,244	161,415	174,688	-	885,894
<b>Total liabilities</b>	<u>16,426,099</u>	<u>2,657,447</u>	<u>3,059,130</u>	<u>8,759,653</u>	<u>9,139,669</u>	<u>878,493</u>	<u>-</u>	<u>40,920,491</u>
<b>Net liquidity gap</b>	<u>(14,661,992)</u>	<u>517,820</u>	<u>(1,065,013)</u>	<u>(1,961,803)</u>	<u>299,076</u>	<u>17,033,573</u>	<u>3,614,927</u>	<u>3,776,588</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(iii) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (ii) Maturity analysis of undiscounted contractual cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the undiscounted contractual cash flows. The balances of some items in the tables below are different from the balances in the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's actual cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Non-derivative cash flows:</b>								
<b>Financial assets:</b>								
Cash and balances with central banks	663,560	12,147	4,017	7,566	1,421	-	2,634,893	3,323,604
Due from banks and other financial institutions (i)	377,144	1,413,614	279,741	333,163	47,091	-	-	2,450,753
Loans and advances to customers (ii)	56,509	1,431,667	1,558,220	6,007,274	5,721,992	16,183,016	428,944	31,387,622
<b>Financial investments</b>								
Financial investments measured at FVTPL	115,126	13,436	39,687	287,394	281,878	228,586	113,215	1,079,322
Financial investments measured at FVTOCI	-	140,683	271,622	664,584	1,565,377	912,364	89,750	3,644,380
Financial investments measured at amortised cost	-	130,173	264,932	1,680,678	4,154,919	5,665,433	3,132	11,899,267
Others	175,473	217,418	27,027	66,303	31,720	18,869	-	536,810
	<u>1,387,812</u>	<u>3,359,138</u>	<u>2,445,246</u>	<u>9,046,962</u>	<u>11,804,398</u>	<u>23,008,268</u>	<u>3,269,934</u>	<u>54,321,758</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2024							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Financial liabilities:</b>								
Due to central banks	-	10,018	46,418	114,666	-	-	-	171,102
Due to banks and other financial institutions (iii)	2,757,012	849,510	648,907	1,608,813	317,848	6,743	-	6,188,833
Financial liabilities measured at FVTPL	66,164	2,642	1,258	4,915	2,330	287	-	77,596
Certificates of deposit	-	63,560	15,879	365,204	44,952	-	-	489,595
Due to customers	13,859,932	1,795,548	2,744,063	7,903,231	9,037,518	14,583	-	35,354,875
Debt securities issued	-	150,198	138,850	854,712	338,267	772,365	-	2,254,392
Others	-	360,896	13,937	18,698	37,631	17,007	-	448,169
	<u>16,683,108</u>	<u>3,232,372</u>	<u>3,609,312</u>	<u>10,870,239</u>	<u>9,778,546</u>	<u>810,985</u>	<u>-</u>	<u>44,984,562</u>
<b>Derivative cash flows:</b>								
Derivative financial instruments settled on net basis	-	(12,072)	(22,700)	(73,896)	3,962	58	-	(104,648)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	2,253,093	1,513,483	3,523,819	429,830	50,987	-	7,771,212
Cash outflow	-	(2,244,458)	(1,490,156)	(3,348,141)	(430,755)	(51,330)	-	(7,564,840)
	<u>-</u>	<u>8,635</u>	<u>23,327</u>	<u>175,678</u>	<u>(925)</u>	<u>(343)</u>	<u>-</u>	<u>206,372</u>

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Non-derivative cash flows:</b>								
<b>Financial assets:</b>								
Cash and balances with central banks	1,192,880	4,654	4,028	2,998	5,183	–	2,832,799	4,042,542
Due from banks and other financial institutions (i)	337,094	1,462,855	179,850	334,769	42,474	4	–	2,357,046
Loans and advances to customers (ii)	54,533	1,353,001	1,534,912	5,839,403	8,646,048	19,669,390	671,048	37,768,335
<b>Financial investments</b>								
Financial investments measured at FVTPL	81,529	9,384	24,206	246,219	185,042	226,856	105,763	878,999
Financial investments measured at FVTOCI	–	137,501	101,117	462,665	964,058	802,982	83,534	2,551,857
Financial investments measured at amortised cost	–	118,767	377,001	1,075,522	4,070,282	5,072,783	3,130	10,717,485
Others	105,707	195,642	20,713	46,739	45,605	51,849	–	466,255
	<u>1,771,743</u>	<u>3,281,804</u>	<u>2,241,827</u>	<u>8,008,315</u>	<u>13,958,692</u>	<u>25,823,864</u>	<u>3,696,274</u>	<u>58,782,519</u>
<b>Financial liabilities:</b>								
Due to central banks	–	6,565	66,840	159,718	–	–	–	233,123
Due to banks and other financial institutions (iii)	2,685,751	460,705	301,577	953,779	51,671	7,802	–	4,461,285
Financial liabilities measured at FVTPL	56,799	180	165	1,414	5,463	357	–	64,378
Certificates of deposit	–	58,475	123,722	186,117	22,905	–	–	391,219
Due to customers	13,685,047	1,831,542	2,335,694	7,090,386	9,148,344	18,184	–	34,109,197
Debt securities issued	–	18,200	107,968	376,141	330,196	780,131	–	1,612,636
Others	–	263,648	35,260	19,738	59,849	51,921	–	430,416
	<u>16,427,597</u>	<u>2,639,315</u>	<u>2,971,226</u>	<u>8,787,293</u>	<u>9,618,428</u>	<u>858,395</u>	<u>–</u>	<u>41,302,254</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (b) Liquidity risk (continued)

##### (ii) Maturity analysis of undiscounted contractual cash flows (continued)

	31 December 2023							Total
	Overdue/ repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Undated (iv)	
<b>Derivative cash flows:</b>								
Derivative financial instruments settled on net basis	-	207	1,555	(11,256)	2,322	(67)	-	(7,239)
Derivative financial instruments settled on gross basis								
Including: Cash inflow	-	1,229,409	583,502	1,758,108	367,431	57,583	-	3,996,033
Cash outflow	-	(1,212,090)	(589,874)	(1,772,475)	(370,714)	(57,826)	-	(4,002,979)
	-	17,319	(6,372)	(14,367)	(3,283)	(243)	-	(6,946)

(i) Includes reverse repurchase agreements.

(ii) The maturity profile of the rescheduled loans' undiscounted contractual cash flows is determined according to the negotiated terms.

(iii) Includes repurchase agreements.

(iv) Undated loans and advances to customers and financial investments are impaired or not impaired but overdue for more than one month.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(b) Liquidity risk (continued)**

(iii) Analysis of credit commitments by contractual expiry date

Management does not expect all of the commitments to be drawn down before the expiry of the commitments.

		31 December 2024						
		Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Total
Credit commitments		<u>1,250,483</u>	<u>197,971</u>	<u>441,314</u>	<u>820,351</u>	<u>562,731</u>	<u>130,628</u>	<u>3,403,478</u>
		31 December 2023						
		Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Total
Credit commitments		<u>1,270,414</u>	<u>145,907</u>	<u>359,067</u>	<u>690,830</u>	<u>510,386</u>	<u>207,576</u>	<u>3,184,180</u>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (c) Market risk

Market risk is the risk of loss, in respect of the Group's on- and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses.

The Group is primarily exposed to structural interest rate risk arising from commercial banking and interest rate risk arising from treasury business positions. Interest rate risk is inherent in many of its businesses and largely arises from mismatches between the repricing dates of interest-generating assets and interest-bearing liabilities. The analysis of the interest rate risk in the banking book is disclosed in Note 50(d).

The Group's currency risk mainly results from the risk arising from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the foreign exchange exposures arising from currency structural imbalance between foreign currency assets and liabilities, and off-balance sheet foreign exchange exposures arising from currency derivative transactions.

The Group considers the market risk arising from stock price fluctuations in respect of its investment portfolios to be immaterial.

Sensitivity analysis, interest rate repricing gap analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Bank monitors market risk separately in respect of trading and other non-trading portfolios. The Value-at-Risk (VaR) analysis is a major tool used by the Bank to measure and monitor the market risk of its trading portfolios. The following sections include a Value-at-Risk (VaR) analysis by risk type of the Group's trading portfolios and a sensitivity analysis based on the Group's currency risk exposure and interest rate risk exposure (both trading and non-trading portfolios).

#### (i) VaR

VaR is a measure index which estimates the potential maximum losses that could occur on risk positions taken due to movements in interest rates, foreign exchange rates or prices over a specified time horizon and at a specified level of confidence. The Bank adopts a historical simulation method to calculate and monitor the VaRs of trading portfolios with 250 days' historical market data (with a 99% confidence level, and one-day holding period) on a daily basis.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(c) Market risk (continued)**

**(i) VaR (continued)**

A summary of VaRs of trading book by risk type is as follows:

	<b>2024</b>			
	<b>End of year</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest rate risk	<b>301</b>	<b>171</b>	<b>336</b>	<b>83</b>
Currency risk	<b>305</b>	<b>279</b>	<b>475</b>	<b>124</b>
Commodity risk	<b>22</b>	<b>19</b>	<b>40</b>	<b>11</b>
Total portfolio VaR	<b>466</b>	<b>317</b>	<b>470</b>	<b>232</b>
	<b>2023</b>			
	<b>End of year</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest rate risk	87	112	209	43
Currency risk	258	256	406	131
Commodity risk	38	37	44	26
Total portfolio VaR	245	312	412	180

VaR for each risk factor is the derived largest potential loss due to fluctuations solely in that risk factor. As there is a diversification effect due to the correlation amongst the risk factors, the individual VaRs do not add up to the total portfolio VaR.

Although VaR is an important tool for measuring market risk under normal market environment, the assumptions on which the model is based do give rise to some limitations, mainly including the following:

- (1) VaR does not reflect liquidity risk. In the VaR model, a one-day holding period assumes that it is possible to hedge or dispose of positions within that period without restriction, the price of the financial instruments will fluctuate in the specified range, and the correlation between these market prices will remain basically unchanged. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to hedge or dispose of all positions fully;

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (c) Market risk (continued)

##### (i) VaR (continued)

- (2) Even though positions may change throughout the day, VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level; and
- (3) VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, especially those of an exceptional nature due to significant market moves.

##### (ii) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD, and other currencies to a lesser extent. The exchange rate of RMB to USD is managed under a floating exchange rate system. The HKD exchange rate has been pegged to the USD and therefore the exchange rate of RMB to HKD has fluctuated in line with the changes in the exchange rate of RMB to USD. Transactions in foreign currencies mainly arise from the Group's foreign currency treasury operations, commissioned foreign exchange dealings for clients and overseas investments.

The Group manages its currency risk exposure through various methods, including limit management and risk hedging to hedge currency risk, and performs currency risk sensitivity analysis and stress testing regularly.

The tables below indicate a sensitivity analysis of exchange rate changes of the main foreign currencies to which the Group had significant on- and off-balance sheet exposure on its monetary assets and liabilities and its estimated future cash flows. 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 taxation and equity. The impact on equity only includes the impact on other comprehensive income. A negative amount in the table reflects a potential net reduction in profit before taxation or equity, while a positive amount reflects a potential net increase. While the table below indicates the effect on profit before taxation and equity of a 1% depreciation of USD and HKD against RMB, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of the reporting period are kept unchanged and, therefore, has not incorporated actions that would be taken by the Group to mitigate the adverse impact of this currency risk.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (c) Market risk (continued)

##### (ii) Currency risk (continued)

Currency	Change in exchange rate	Effect on profit before taxation		Effect on equity	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	-1%	(321)	267	(708)	(629)
HKD	-1%	274	327	(1,565)	(1,443)

A breakdown of the assets and liabilities analysed by currency is as follows:

	31 December 2024				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Assets:</b>					
Cash and balances with central banks	3,009,110	181,040	9,580	123,181	3,322,911
Due from banks and other financial institutions (i)	1,552,443	587,177	65,538	224,935	2,430,093
Derivative financial assets	170,301	23,754	11,813	16,493	222,361
Loans and advances to customers	26,304,262	651,996	315,362	342,161	27,613,781
Financial investments					
Financial investments measured at FVTPL	963,589	17,444	11,105	18,301	1,010,439
Financial investments measured at FVTOCI	2,715,471	411,742	47,398	116,541	3,291,152
Financial investments measured at amortised cost	9,505,735	203,964	24,531	117,755	9,851,985
Investments in associates and joint ventures	44,465	1,511	146	27,235	73,357
Property and equipment	132,927	166,466	677	2,317	302,387
Others	344,105	135,107	24,565	199,503	703,280
<b>Total assets</b>	<b>44,742,408</b>	<b>2,380,201</b>	<b>510,715</b>	<b>1,188,422</b>	<b>48,821,746</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (c) Market risk (continued)

##### (ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows: (continued)

	31 December 2024				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Liabilities:</b>					
Due to central banks	169,622	–	–	–	169,622
Due to banks and other financial institutions (ii)	5,278,640	524,278	65,894	245,708	6,114,520
Financial liabilities measured at FVTPL	5,498	2,440	2	68,116	76,056
Derivative financial liabilities	145,146	32,089	10,841	9,719	197,795
Certificates of deposit	140,187	220,006	58,295	26,931	445,419
Due to customers	33,146,429	945,302	380,181	365,061	34,836,973
Debt securities issued	1,859,351	142,352	–	27,019	2,028,722
Others	806,682	126,396	8,693	23,602	965,373
<b>Total liabilities</b>	<b>41,551,555</b>	<b>1,992,863</b>	<b>523,906</b>	<b>766,156</b>	<b>44,834,480</b>
<b>Net long/(short) position</b>	<b>3,190,853</b>	<b>387,338</b>	<b>(13,191)</b>	<b>422,266</b>	<b>3,987,266</b>
<b>Credit commitments</b>	<b>2,686,750</b>	<b>468,537</b>	<b>50,378</b>	<b>197,813</b>	<b>3,403,478</b>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(c) Market risk (continued)**

**(ii) Currency risk (continued)**

A breakdown of the assets and liabilities analysed by currency is as follows: (continued)

	31 December 2023				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Assets:</b>					
Cash and balances with central banks	3,741,187	168,210	8,133	124,763	4,042,293
Due from banks and other financial institutions (i)	1,612,535	427,598	39,665	261,176	2,340,974
Derivative financial assets	30,533	25,973	7,455	11,378	75,339
Loans and advances to customers	23,997,794	690,350	346,152	352,637	25,386,933
Financial investments					
Financial investments measured at FVTPL	761,884	30,975	10,832	8,266	811,957
Financial investments measured at FVTOCI	1,736,925	359,118	38,971	95,848	2,230,862
Financial investments measured at amortised cost	8,450,363	192,730	36,996	126,760	8,806,849
Investments in associates and joint ventures	36,804	2,096	196	25,682	64,778
Property and equipment	134,199	161,870	674	2,135	298,878
Others	333,577	174,586	5,658	124,395	638,216
<b>Total assets</b>	<b>40,835,801</b>	<b>2,233,506</b>	<b>494,732</b>	<b>1,133,040</b>	<b>44,697,079</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (c) Market risk (continued)

##### (ii) Currency risk (continued)

A breakdown of the assets and liabilities analysed by currency is as follows: (continued)

	31 December 2023				Total (in RMB equivalent)
	RMB	USD (in RMB equivalent)	HKD (in RMB equivalent)	Other (in RMB equivalent)	
<b>Liabilities:</b>					
Due to central banks	230,246	–	–	1,128	231,374
Due to banks and other financial institutions (ii)	3,588,038	482,444	73,509	243,973	4,387,964
Financial liabilities measured at FVTPL	4,937	2,250	4	55,668	62,859
Derivative financial liabilities	28,563	29,765	8,627	9,296	76,251
Certificates of deposit	103,347	208,441	40,857	32,553	385,198
Due to customers	31,837,835	871,819	434,579	376,941	33,521,174
Debt securities issued	1,150,601	187,762	2,058	29,356	1,369,777
Others	569,117	213,141	24,334	79,302	885,894
<b>Total liabilities</b>	<b>37,512,684</b>	<b>1,995,622</b>	<b>583,968</b>	<b>828,217</b>	<b>40,920,491</b>
<b>Net long/(short) position</b>	<b>3,323,117</b>	<b>237,884</b>	<b>(89,236)</b>	<b>304,823</b>	<b>3,776,588</b>
<b>Credit commitments</b>	<b>2,525,419</b>	<b>426,002</b>	<b>49,055</b>	<b>183,704</b>	<b>3,184,180</b>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book

Interest rate risk in the banking book is defined as the risk of loss in the overall return and the economic value of the banking book arising from adverse movements in interest rate and term structure. This type of risk may occur in the following situations:

- the repricing period of different financial instruments are different when the interest rate changes;
- despite the similarities in maturity periods, changes in the benchmark interest rate vary among on- and off-balance sheet business in the banking book with different pricing benchmark interest rates;
- the Bank or the counterparty can elect to change the level or the maturity of future cash flows of financial instruments when the Bank holds option derivatives or when there are embedded option terms or implied options in the on- and off-balance sheet businesses in the banking book; and
- due to changes in expected default levels or market liquidity, the market's assessment of the credit quality of financial instruments changes, leading to changes in credit spreads.

The Group manages the interest rate risk in the banking book through the Asset and Liability Management Department, and the following methods have been adopted:

- interest rate prediction: analysing the macro-economic factors that may impact the PBOC benchmark interest rates and market interest rates;
- duration management: optimising the differences in timing between contractual repricing (or maturities) of interest-generating assets and interest-bearing liabilities;
- pricing management: managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the benchmark interest rates or market interest rates;
- limit management: optimising the positions of interest-generating assets and interest-bearing liabilities and controlling the impact on profit or loss and equity; and
- hedging: using interest rate derivatives for hedging management in a timely manner.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book (continued)

The Group measures interest rate risk mainly by analysing the sensitivity of projected net interest income under various interest rate movements (scenario analysis). The Group aims to mitigate the impact of prospective interest rate movements which might reduce future net interest income, while balancing the cost of hedging on the current revenue.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, on the Group's net interest income and equity.

The effect on net interest income is the impact of the assumed changes in interest rates on the net interest income, arising from the financial assets and financial liabilities held at the end of the reporting period that are subject to repricing within the coming year, including the effect of hedging instruments. The effect on equity is the impact of the assumed changes in interest rates on other comprehensive income, calculated by revaluing fixed rate financial assets measured at FVTOCI held at the end of the reporting period, including the effect of any associated hedging instruments.

	<b>31 December 2024</b>			
	<b>Increased by 100 basis points</b>		<b>Decreased by 100 basis points</b>	
	<b>Effect on net interest income</b>	<b>Effect on equity</b>	<b>Effect on net interest income</b>	<b>Effect on equity</b>
<b>Currency</b>				
RMB	(26,560)	(102,939)	26,560	121,349
USD	1,109	(8,228)	(1,109)	9,259
HKD	129	(172)	(129)	177
Others	1,101	(3,274)	(1,101)	3,497
<b>Total</b>	<b>(24,221)</b>	<b>(114,613)</b>	<b>24,221</b>	<b>134,282</b>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**50. Financial Risk Management (continued)**

**(d) Interest rate risk in the banking book (continued)**

	31 December 2023			
	Increased by 100 basis points		Decreased by 100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
Currency				
RMB	(14,922)	(73,298)	14,922	84,941
USD	(1,320)	(6,466)	1,320	6,655
HKD	(1,439)	(95)	1,439	96
Others	1,008	(20)	(1,008)	74
Total	<u>(16,673)</u>	<u>(79,879)</u>	<u>16,673</u>	<u>91,766</u>

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the estimated movements in net interest income and equity based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions other than hedging that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of all maturities move by the same degree and, therefore, do not reflect the potential impact on net interest income and equity in the case where some rates change while others remain unchanged.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities:

	31 December 2024					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	
<b>Assets:</b>						
Cash and balances with central banks	2,921,951	6,665	50	–	394,245	3,322,911
Due from banks and other financial institutions (i)	2,041,613	321,984	41,914	–	24,582	2,430,093
Derivative financial assets	–	–	–	–	222,361	222,361
Loans and advances to customers	10,976,981	16,188,046	255,342	138,400	55,012	27,613,781
Financial investments						
Financial investments measured at FVTPL	44,028	275,562	247,340	209,389	234,120	1,010,439
Financial investments measured at FVTOCI	379,404	611,783	1,427,981	758,866	113,118	3,291,152
Financial investments measured at amortised cost	344,569	1,449,893	3,328,729	4,623,451	105,343	9,851,985
Investments in associates and joint ventures	–	–	–	–	73,357	73,357
Property and equipment	–	–	–	–	302,387	302,387
Others	1,986	6,273	17,976	3,556	673,489	703,280
<b>Total assets</b>	<b>16,710,532</b>	<b>18,860,206</b>	<b>5,319,332</b>	<b>5,733,662</b>	<b>2,198,014</b>	<b>48,821,746</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities: (continued)

	31 December 2024					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	
<b>Liabilities:</b>						
Due to central banks	56,043	113,573	-	-	6	169,622
Due to banks and other financial institutions (ii)	4,052,089	1,711,979	254,138	675	95,639	6,114,520
Financial liabilities measured at FVTPL	6,523	4,615	1,669	254	62,995	76,056
Derivative financial liabilities	-	-	-	-	197,795	197,795
Certificates of deposit	193,076	217,042	32,266	-	3,035	445,419
Due to customers	18,333,925	7,503,276	8,213,196	11,798	774,778	34,836,973
Debt securities issued	311,014	826,952	193,297	684,797	12,662	2,028,722
Others	3,540	10,328	30,765	7,423	913,317	965,373
Total liabilities	<u>22,956,210</u>	<u>10,387,765</u>	<u>8,725,331</u>	<u>704,947</u>	<u>2,060,227</u>	<u>44,834,480</u>
Interest rate exposure	<u>(6,245,678)</u>	<u>8,472,441</u>	<u>(3,405,999)</u>	<u>5,028,715</u>	<u>N/A</u>	<u>N/A</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities: (continued)

	31 December 2023					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	
<b>Assets:</b>						
Cash and balances with central banks	3,707,044	2,498	4,303	–	328,448	4,042,293
Due from banks and other financial institutions (i)	1,946,422	323,422	35,293	–	35,837	2,340,974
Derivative financial assets	–	–	–	–	75,339	75,339
Loans and advances to customers	9,187,465	15,369,942	528,802	245,909	54,815	25,386,933
Financial investments						
Financial investments measured at FVTPL	33,322	234,428	125,924	194,907	223,376	811,957
Financial investments measured at FVTOCI	272,320	420,740	803,302	629,586	104,914	2,230,862
Financial investments measured at amortised cost	580,346	849,538	3,198,040	4,079,888	99,037	8,806,849
Investments in associates and joint ventures	–	–	–	–	64,778	64,778
Property and equipment	–	–	–	–	298,878	298,878
Others	2,457	7,674	40,169	24,485	563,431	638,216
<b>Total assets</b>	<b>15,729,376</b>	<b>17,208,242</b>	<b>4,735,833</b>	<b>5,174,775</b>	<b>1,848,853</b>	<b>44,697,079</b>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (d) Interest rate risk in the banking book (continued)

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities: (continued)

	31 December 2023					Total
	Less than three months	Three months to one year	One to five years	Over five years	Non- interest- bearing	
<b>Liabilities:</b>						
Due to central banks	73,225	158,149	–	–	–	231,374
Due to banks and other financial institutions (ii)	3,415,815	924,444	13,684	10	34,011	4,387,964
Financial liabilities measured at FVTPL	3,647	633	4,847	316	53,416	62,859
Derivative financial liabilities	–	–	–	–	76,251	76,251
Certificates of deposit	181,578	180,896	19,878	–	2,846	385,198
Due to customers	17,501,563	6,643,611	8,618,565	14,862	742,573	33,521,174
Debt securities issued	172,151	311,141	193,484	678,275	14,726	1,369,777
Others	4,292	12,526	54,930	29,349	784,797	885,894
<b>Total liabilities</b>	<u>21,352,271</u>	<u>8,231,400</u>	<u>8,905,388</u>	<u>722,812</u>	<u>1,708,620</u>	<u>40,920,491</u>
Interest rate exposure	<u>(5,622,895)</u>	<u>8,976,842</u>	<u>(4,169,555)</u>	<u>4,451,963</u>	<u>N/A</u>	<u>N/A</u>

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (e) Capital management

The Group has set the following capital management objectives:

- maintain sound capital adequacy to meet regulatory and policy requirements on capital, keep stable capital base to ensure the implementation of the Group's business growth and strategic plans in order to achieve comprehensive, balanced, and sustainable development;
- adopt the advanced capital measurement approach, improve the internal capital adequacy assessment process (ICAAP), publicly disclose information on capital management, cover all types of material risks, and ensure stable operations of the Group;
- leverage on the results of quantitative assessments of material risks fully, establish a bank-wide value management mechanism with a core of economic capital, improve the aligned policies, processes, and applications in business management, strengthen the capital constraints and capital incentives mechanism, enhance the abilities of product pricing and decision-making support, and improve the capital allocation efficiency; and
- make effective use of various capital instruments, continuously enhance capital strengths, refine the capital structure, improve capital quality, reduce capital costs, and maximise shareholders' returns.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk profiles of its business operations. In order to maintain or adjust the capital structure, the Group may adjust its profit distribution policies, issue or repurchase its own shares, eligible additional tier 1 capital instruments, eligible tier 2 capital instruments, or convertible bonds.

The Group monitors the capital adequacy ratios regularly based on regulations issued by the NFRA. The required information is quarterly filed with the NFRA by the Group and the Bank.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 50. Financial Risk Management (continued)

#### (e) Capital management (continued)

Since 1 January 2024, the Group commenced calculating the capital adequacy ratios in accordance with the Rules on Capital Management of Commercial Banks and other relevant regulations, according to the scope of implementing the advanced capital measurement approaches as approved by the regulatory authorities, an enterprise that meets the regulatory requirements shall adopt the foundation IRB approach for its corporate credit risk exposures, the advanced IRB approach for its retail credit risk exposures, the weighted approach for its credit risk uncovered by the IRB approach, the standardised approach mainly for its market risk exposures and the standardised approach for its operational risk exposures.

According to Rules on Capital Management of Commercial Banks, Measures for the Assessment of Systemically Important Banks, Additional Regulation of Systemically Important Banks (Provisional), and the capital surcharge applied to global systemically important banks as required by the Basel Committee on Banking Supervision, the minimum common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group shall not be lower than 9%, 10% and 12% respectively. In addition, overseas entities are directly regulated by local banking regulators, and the required capital adequacy ratios differ by countries or regions.

The Group calculates the following common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio in accordance with the Rules on Capital Management of Commercial Banks and relevant requirements. The requirements pursuant to these regulations may be different from those applicable in Hong Kong SAR and other jurisdictions.

The capital adequacy ratios and related data of the Group are calculated based on the statutory financial statements of the Group prepared under the PRC GAAP. During the reporting year, the Group has complied in full with all its externally imposed regulatory capital requirements.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 50. Financial Risk Management (continued)

#### (e) Capital management (continued)

The common equity tier 1 capital adequacy ratio, the tier 1 capital adequacy ratio and the capital adequacy ratio of the Group calculated in accordance with the advanced capital measurement approaches in the Rules on Capital Management of Commercial Banks are as follows, the comparative figures are not restated:

	<b>31 December 2024</b>	31 December 2023
Common equity tier 1 capital	<b>3,648,963</b>	3,404,032
Paid-in capital	<b>356,407</b>	356,407
Valid portion of capital reserve	<b>148,128</b>	148,164
Surplus reserve	<b>463,951</b>	428,007
General reserve	<b>614,426</b>	561,303
Retained profits	<b>2,007,203</b>	1,905,968
Valid portion of minority interests	<b>4,071</b>	3,623
Accumulated other comprehensive income	<b>54,777</b>	N/A
Others	N/A	560
Common equity tier 1 capital deductions	<b>24,621</b>	22,091
Goodwill	<b>18,687</b>	8,488
Other intangible assets other than land use rights	<b>10,194</b>	8,490
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	<b>(4,260)</b>	(2,867)
Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	–	7,980
Net common equity tier 1 capital	<b><u>3,624,342</u></b>	<u>3,381,941</u>
Additional tier 1 capital	<b>325,111</b>	354,978
Additional tier 1 capital instruments and related premiums	<b>324,344</b>	354,331
Valid portion of minority interests	<b>767</b>	647
Net tier 1 capital	<b><u>3,949,453</u></b>	<u>3,736,919</u>
Tier 2 capital	<b>1,037,078</b>	970,181
Valid portion of tier 2 capital instruments and related premiums	<b>632,917</b>	635,672
Surplus provision for impairment	<b>402,917</b>	N/A
Surplus provision for loan impairment	N/A	333,382
Valid portion of minority interests	<b>1,244</b>	1,127
Net capital base	<b><u>4,986,531</u></b>	<u>4,707,100</u>
Risk-weighted assets (i)	<b><u>25,710,855</u></b>	<u>24,641,631</u>
Common equity tier 1 capital adequacy ratio	<b><u>14.10%</u></b>	<u>13.72%</u>
Tier 1 capital adequacy ratio	<b><u>15.36%</u></b>	<u>15.17%</u>
Capital adequacy ratio	<b><u>19.39%</u></b>	<u>19.10%</u>

(i) Refers to risk-weighted assets after the capital floor and adjustments.

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

*(In RMB millions, unless otherwise stated)*

### 51. Fair Value of Financial Instruments

The Group has established policies and internal controls with respect to the measurement of fair values, specifically the framework of fair value measurement of financial instruments, fair value measurement methodologies and operating procedures. Fair value measurement methodologies specify valuation techniques, parameter selection and relevant concepts, models and parameter-seeking methods. Operating procedures specify measurement procedures, timing of valuation, market parameter selection and corresponding allocation of responsibilities. In the process of fair value measurement, front office is responsible for daily transaction management. The Finance and Accounting Department plays a lead role in formulating accounting policies of fair value measurement, valuation methodologies and system implementation. The Risk Management Department is responsible for verifying trade details and validating models.

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 inputs: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs: valuation techniques are used, for which certain inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following is a description of the fair value of financial instruments measured at fair value which are determined using valuation techniques. They incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

#### Financial investments

Financial investments that use valuation techniques for their valuation include debt securities, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. The Group values such investments by incorporating either only observable data or both observable and unobservable data. Observable inputs include assumptions regarding current interest rates; unobservable inputs include assumptions regarding expected default rates, prepayment rates, discount rates and market liquidity.

The majority of the debt securities investments classified as level 2 are RMB bonds. The fair values of these bonds are determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd., which are determined based on a valuation technique for which all significant inputs are observable market data.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**51. Fair Value of Financial Instruments (continued)**

Derivatives

Derivatives that use valuation techniques with market observable inputs are mainly interest rate swaps, currency forwards, swaps and options. The most frequently applied valuation techniques include discounted cash flow model and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, interest rate yield curves.

Structured derivatives are mainly valued using dealer's quotations.

Loans and advances to customers

The loans and advances to customers that use valuation techniques for valuation are mainly the bills and discounted cash flow model is used. For bank acceptance bill, based on the different credit risk of the acceptor, interest rate yield curve is set up using the actual market data; for commercial bill, based on the interbank offered rate, interest rate yield curve is constructed, with spreads adjusted for credit risk and liquidity.

Other liabilities at fair value through profit or loss

For unquoted other liabilities at FVTPL, discounted cash flow model is used based on current yield curve appropriate for the remaining term to maturity adjusted for market liquidity and credit spreads; and Heston model is applied based on parameters including yields, foreign exchange forward rates, foreign exchange rate volatilities, which are calibrated by active market quotes of standard European option with the same underlying items.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**51. Fair Value of Financial Instruments (continued)**

**(a) Financial instruments measured at fair value**

	<b>31 December 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets:</b>				
Derivative financial assets	12,111	210,195	55	222,361
Reverse repurchase agreements measured at FVTPL	–	20,317	–	20,317
Loans and advances to customers measured at FVTPL	–	4,929	76	5,005
Loans and advances to customers measured at FVTOCI	–	1,947,988	–	1,947,988
Financial investments measured at FVTPL				
Debt securities investments	17,498	718,558	2,925	738,981
Equity investments	23,736	1,003	87,028	111,767
Funds and other investments	37,666	78,015	44,010	159,691
	<u>78,900</u>	<u>797,576</u>	<u>133,963</u>	<u>1,010,439</u>
Financial investments measured at FVTOCI				
Debt securities investments	301,020	2,899,480	–	3,200,500
Other debt investments	–	5,426	–	5,426
Equity investments	13,793	5,730	65,703	85,226
	<u>314,813</u>	<u>2,910,636</u>	<u>65,703</u>	<u>3,291,152</u>
	<u>405,824</u>	<u>5,891,641</u>	<u>199,797</u>	<u>6,497,262</u>
<b>Financial liabilities:</b>				
Due to customers	–	200,983	–	200,983
Repurchase agreements	–	715	–	715
Financial liabilities measured at FVTPL	150	73,584	2,322	76,056
Derivative financial liabilities	8,005	189,651	139	197,795
	<u>8,155</u>	<u>464,933</u>	<u>2,461</u>	<u>475,549</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**51. Fair Value of Financial Instruments (continued)**

**(a) Financial instruments measured at fair value (continued)**

	31 December 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Derivative financial assets	3,333	71,491	515	75,339
Reverse repurchase agreements measured at FVTPL	–	40,514	–	40,514
Loans and advances to customers measured at FVTPL	–	5,990	114	6,104
Loans and advances to customers measured at FVTOCI	–	1,295,585	–	1,295,585
Financial investments measured at FVTPL				
Debt securities investments	21,412	515,389	3,368	540,169
Equity investments	19,885	10,935	74,226	105,046
Funds and other investments	37,443	87,942	41,357	166,742
	<u>78,740</u>	<u>614,266</u>	<u>118,951</u>	<u>811,957</u>
Financial investments measured at FVTOCI				
Debt securities investments	338,551	1,804,101	–	2,142,652
Other debt investments	–	5,421	–	5,421
Equity investments	8,761	33,556	40,472	82,789
	<u>347,312</u>	<u>1,843,078</u>	<u>40,472</u>	<u>2,230,862</u>
	<u>429,385</u>	<u>3,870,924</u>	<u>160,052</u>	<u>4,460,361</u>
<b>Financial liabilities:</b>				
Due to customers	–	202,976	–	202,976
Repurchase agreements	–	28,174	–	28,174
Financial liabilities measured at FVTPL	1,462	59,559	1,838	62,859
Derivative financial liabilities	3,133	71,939	1,179	76,251
	<u>4,595</u>	<u>362,648</u>	<u>3,017</u>	<u>370,260</u>



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 51. Fair Value of Financial Instruments (continued)

#### (b) Movement of level 3 financial instruments measured at fair value

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value:

	1 January 2024	Total gains/(losses) recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer (out)/in of level 3	31 December 2024
<b>Financial assets:</b>							
Derivative financial assets	515	110	-	521	(352)	(739)	55
Loans and advances to customers measured at FVTPL	114	5	-	-	(43)	-	76
Financial investments measured at FVTPL							
Debt securities investments	3,368	7	-	639	(1,091)	2	2,925
Equity investments	74,226	(15)	-	23,192	(10,375)	-	87,028
Funds and other investments	41,357	(940)	-	18,914	(15,321)	-	44,010
Financial investments measured at FVTOCI							
Equity investments	40,472	-	1,490	3,521	(3,400)	23,620	65,703
	<u>160,052</u>	<u>(833)</u>	<u>1,490</u>	<u>46,787</u>	<u>(30,582)</u>	<u>22,883</u>	<u>199,797</u>
<b>Financial liabilities:</b>							
Financial liabilities measured at FVTPL	(1,838)	(221)	-	(761)	498	-	(2,322)
Derivative financial liabilities	(1,179)	(174)	-	-	496	718	(139)
	<u>(3,017)</u>	<u>(395)</u>	<u>-</u>	<u>(761)</u>	<u>994</u>	<u>718</u>	<u>(2,461)</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 51. Fair Value of Financial Instruments (continued)

#### (b) Movement of level 3 financial instruments measured at fair value (continued)

The following tables show the movement of level 3 financial assets and financial liabilities measured at fair value: (continued)

	1 January 2023	Total gains/(losses) recorded in profit or loss	Total effects in other comprehensive income	Additions	Disposals and settlements	Transfer in/(out) of level 3	31 December 2023
<b>Financial assets:</b>							
Derivative financial assets	886	177	-	24	(587)	15	515
Loans and advances to customers measured at FVTPL	109	14	-	-	(9)	-	114
Financial investments measured at FVTPL							
Debt securities investments	3,158	412	-	511	(800)	87	3,368
Equity investments	68,484	(99)	-	16,612	(10,237)	(534)	74,226
Funds and other investments	36,320	588	-	10,484	(6,035)	-	41,357
Financial investments measured at FVTOCI							
Debt securities investments	362	-	-	-	(362)	-	-
Equity investments	47,024	-	1,495	1,488	(9,535)	-	40,472
	<u>156,343</u>	<u>1,092</u>	<u>1,495</u>	<u>29,119</u>	<u>(27,565)</u>	<u>(432)</u>	<u>160,052</u>
<b>Financial liabilities:</b>							
Financial liabilities measured at FVTPL	(1,311)	(156)	-	(595)	224	-	(1,838)
Derivative financial liabilities	(2,185)	675	-	(77)	396	12	(1,179)
	<u>(3,496)</u>	<u>519</u>	<u>-</u>	<u>(672)</u>	<u>620</u>	<u>12</u>	<u>(3,017)</u>

Net gains or losses on level 3 financial instruments of the Group are set out below:

	2024	2023
Realised	(402)	391
Unrealised	(826)	1,220
	<u>(1,228)</u>	<u>1,611</u>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**51. Fair Value of Financial Instruments (continued)**

**(c) Transfers between levels**

(i) Transfers between level 1 and level 2

Due to changes in market conditions for certain securities, quoted prices in active markets were available for these securities. Therefore, these securities were transferred from level 2 to level 1 of the fair value hierarchy as at the end of the reporting period.

Due to changes in market conditions for certain securities, quoted prices in active markets were no longer available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities were transferred from level 1 to level 2 of the fair value hierarchy as at the end of the reporting period.

In 2024 and 2023, the transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities measured at fair value of the Group were not significant.

(ii) Transfers between level 2 and level 3

At the end of the reporting period, certain financial instruments were transferred out from level 2 to level 3 of the fair value hierarchy for financial assets and liabilities when significant inputs used in their fair value measurements, which were previously observable became unobservable.

At the end of the reporting period, certain financial instruments were transferred out from level 3 of the fair value hierarchy for financial assets and liabilities, when significant inputs used in their fair value measurements, which were previously unobservable became observable, or when there was a change in valuation technique.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**51. Fair Value of Financial Instruments (continued)**

**(d) Valuation of financial instruments with significant unobservable inputs**

Financial instruments valued with significant unobservable inputs primarily include certain structured financial derivatives, asset-backed securities, investment funds, unlisted equity instruments and asset management plans. These financial instruments are valued using discounted cash flow model, net asset value method and market comparison approach. The models incorporate various unobservable assumptions such as expected default rates, prepayment rates, discount rates and market liquidity.

As at 31 December 2024, the effects of changing the significant unobservable assumptions to reasonably possible alternative assumptions were not significant (31 December 2023: not significant).

**(e) Fair value of financial assets and financial liabilities not carried at fair value**

There are no significant differences between the carrying amount and the fair value of financial assets and financial liabilities not measured at fair value, except for the following items:

	<b>31 December 2024</b>				
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>					
Financial investments measured at amortised cost	<u>9,851,985</u>	<u>10,531,041</u>	<u>43,473</u>	<u>10,360,858</u>	<u>126,710</u>
<b>Financial liabilities</b>					
Subordinated bonds, tier 2 capital bonds and TLAC non-capital bonds	<u>749,261</u>	<u>778,648</u>	<u>–</u>	<u>778,648</u>	<u>–</u>

# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 51. Fair Value of Financial Instruments (continued)

#### (e) Fair value of financial assets and financial liabilities not carried at fair value (continued)

	31 December 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Financial assets</b>					
Financial investments measured at amortised cost	<u>8,806,849</u>	<u>9,083,501</u>	<u>75,260</u>	<u>8,830,559</u>	<u>177,682</u>
<b>Financial liabilities</b>					
Subordinated bonds and tier 2 capital bonds issued	<u>704,129</u>	<u>705,809</u>	<u>–</u>	<u>705,809</u>	<u>–</u>

Subject to the existence of an active market, such as an authorised stock exchange, the market value is the best reflection of the fair value of a financial instrument. As there is no available market value for certain financial assets held and financial liabilities issued by the Group, discounted cash flow or other valuation methods described below are adopted to determine the fair values of these financial assets and financial liabilities:

- (i) The fair values of financial investments measured at amortised cost relating to the restructuring of the Bank are estimated on the basis of the stated interest rates and the consideration of the relevant special clauses of the instruments evaluated in the absence of any other relevant observable market data, and the fair values approximate to their carrying amounts. The fair values of financial investments measured at amortised cost irrelevant to the restructuring of the Bank are determined based on the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.
- (ii) The fair values of Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds issued are determined with reference to the available market values. If quoted market prices are not available, fair values are estimated on the basis of pricing models or discounted cash flows.

All of the aforementioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's financial assets and financial liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**  
*(In RMB millions, unless otherwise stated)*

**52. Statement of Financial Position and Statement of Changes in Equity of the Bank**

The statement of financial position of the Bank is set out below.

	<b>31 December 2024</b>	31 December 2023
<b>ASSETS</b>		
Cash and balances with central banks	<b>3,231,078</b>	3,983,898
Due from banks and other financial institutions	<b>1,268,833</b>	1,209,201
Derivative financial assets	<b>193,367</b>	52,312
Reverse repurchase agreements	<b>1,148,203</b>	1,144,948
Loans and advances to customers	<b>26,789,370</b>	24,618,384
Financial investments	<b>13,184,522</b>	11,011,574
Financial investments measured at FVTPL	<b>693,738</b>	504,918
Financial investments measured at FVTOCI	<b>2,875,432</b>	1,913,887
Financial investments measured at amortised cost	<b>9,615,352</b>	8,592,769
Investments in subsidiaries	<b>163,283</b>	163,283
Investments in associates	<b>37,042</b>	36,042
Property and equipment	<b>119,025</b>	123,642
Deferred tax assets	<b>89,322</b>	103,196
Other assets	<b>500,316</b>	458,765
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>46,724,361</u></b>	<b><u>42,905,245</u></b>

**Industrial and Commercial Bank of China Limited**  
**Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

**52. Statement of Financial Position and Statement of Changes in Equity of the Bank (continued)**

The statement of financial position of the Bank is set out below. (continued)

	<b>31 December 2024</b>	31 December 2023
<b>LIABILITIES</b>		
Due to central banks	<b>169,622</b>	231,349
Due to banks and other financial institutions	<b>4,711,602</b>	3,250,269
Financial liabilities measured at FVTPL	<b>62,195</b>	52,306
Derivative financial liabilities	<b>169,959</b>	51,234
Repurchase agreements	<b>1,473,959</b>	949,247
Certificates of deposit	<b>428,929</b>	370,623
Due to customers	<b>33,425,710</b>	32,621,398
Income tax payable	<b>30,345</b>	61,462
Debt securities issued	<b>1,936,857</b>	1,250,598
Other liabilities	<b>530,327</b>	465,975
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>42,939,505</b>	39,304,461
	<hr/>	<hr/>
<b>EQUITY</b>		
Share capital	<b>356,407</b>	356,407
Other equity instruments	<b>324,344</b>	354,331
Preference shares	<b>134,614</b>	134,614
Perpetual bonds	<b>189,730</b>	219,717
Reserves	<b>1,270,537</b>	1,139,911
Retained profits	<b>1,833,568</b>	1,750,135
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>3,784,856</b>	3,600,784
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>46,724,361</b>	42,905,245
	<hr/> <hr/>	<hr/> <hr/>

**Liao Lin**  
Chairman

**Liu Jun**  
Vice Chairman and President

**Xu Zhisheng**  
Person in charge of Finance and  
Accounting Department



# Industrial and Commercial Bank of China Limited

## Notes to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 52. Statement of Financial Position and Statement of Changes in Equity of the Bank (continued)

The statement of changes in equity of the Bank is set out below.

	Reserves										Retained profits	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal		
Balance as at 1 January 2023	356,407	354,331	153,348	384,808	480,285	8,513	(1,528)	(3,089)	(189)	1,022,148	1,624,995	3,357,881
Profit for the year	-	-	-	-	-	-	-	-	-	-	347,516	347,516
Other comprehensive income	-	-	-	-	-	17,821	794	(39)	(56)	18,520	-	18,520
Total comprehensive income	-	-	-	-	-	17,821	794	(39)	(56)	18,520	347,516	366,036
Dividends – ordinary shares 2022 final (Note 17)	-	-	-	-	-	-	-	-	-	-	(108,169)	(108,169)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,964)	(14,964)
Appropriation to surplus reserve (ii)	-	-	-	34,981	-	-	-	-	-	34,981	(34,981)	-
Appropriation to general reserve	-	-	-	-	64,264	-	-	-	-	64,264	(64,264)	-
Other comprehensive income carried forward to retained earnings	-	-	-	-	-	(2)	-	-	-	(2)	2	-
Balance as at 31 December 2023 and 1 January 2024	356,407	354,331	153,348	419,789	544,549	26,332	(734)	(3,128)	(245)	1,139,911	1,750,135	3,600,784
Profit for the year	-	-	-	-	-	-	-	-	-	-	345,454	345,454
Other comprehensive income	-	-	-	-	-	45,144	63	(1,225)	(87)	43,895	-	43,895
Total comprehensive income	-	-	-	-	-	45,144	63	(1,225)	(87)	43,895	345,454	389,349
Capital injection by non-controlling shareholders	-	50,000	(2)	-	-	-	-	-	-	(2)	-	49,998
Capital reduction by non-controlling shareholders	-	(79,987)	(13)	-	-	-	-	-	-	(13)	-	(80,000)
Dividends – ordinary shares (i) (Note 17)	-	-	-	-	-	-	-	-	-	-	(160,312)	(160,312)
Distributions to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	-	-	(14,963)	(14,963)
Appropriation to surplus reserve (ii)	-	-	-	34,769	-	-	-	-	-	34,769	(34,769)	-
Appropriation to general reserve	-	-	-	-	52,251	-	-	-	-	52,251	(52,251)	-
Other comprehensive income carried forward to retained earnings	-	-	-	-	-	(274)	-	-	-	(274)	274	-
Balance as at 31 December 2024	<u>356,407</u>	<u>324,344</u>	<u>153,333</u>	<u>454,558</u>	<u>596,800</u>	<u>71,202</u>	<u>(671)</u>	<u>(4,353)</u>	<u>(332)</u>	<u>1,270,537</u>	<u>1,833,568</u>	<u>3,784,856</u>

(i) Includes interim dividends on ordinary shares of RMB51,109 million for 2024 and annual dividends on ordinary shares of RMB109,203 million for 2023.

(ii) Includes the appropriation made by overseas branches in the amount of RMB98 million (2023: RMB112 million).

# **Industrial and Commercial Bank of China Limited**

## **Notes to the Consolidated Financial Statements (continued)**

*(In RMB millions, unless otherwise stated)*

### **53. Events After the Reporting Period**

The year-end cash dividends for ordinary shares of RMB1.646 (pre-tax) for each ten shares after the appropriation of statutory surplus reserve and general reserve, was approved at the board of directors' meeting held on 28 March 2025, and is subject to the approval of the Bank's shareholders at the forthcoming annual general meeting. Based on the number of ordinary shares issued as at 31 December 2024, the year-end cash dividends amounted to approximately RMB58,664 million in total. The dividend payable was not recognised as a liability in the consolidated financial statements.

### **54. Comparative Figures**

Certain comparative amounts have been reclassified to conform to the current period's presentation.

### **55. Approval of the Consolidated Financial Statements**

The consolidated financial statements were approved by the board of directors on 28 March 2025.

# Industrial and Commercial Bank of China Limited

## Unaudited Supplementary Information to the Consolidated Financial Statements

(In RMB millions, unless otherwise stated)

### 1. Statement of differences between the financial statements prepared under IFRSs and those prepared in accordance with PRC GAAP

There are no differences between the profit attributable to equity holders of the parent company under IFRSs and PRC GAAP for the year ended 31 December 2024 and 2023. There are no differences between the equity attributable to equity holders of the parent company under IFRSs and PRC GAAP as at 31 December 2024 and 31 December 2023.

### 2. Currency concentrations

	31 December 2024			
	USD	HKD	Others	Total
Spot assets	2,250,157	489,754	1,228,279	3,968,190
Spot liabilities	(2,078,820)	(541,721)	(826,252)	(3,446,793)
Forward purchases	5,273,333	252,671	477,184	6,003,188
Forward sales	(5,659,359)	(121,026)	(701,683)	(6,482,068)
Net option position	(26,408)	8,778	(13,855)	(31,485)
Net (short)/long position	<u>(241,097)</u>	<u>88,456</u>	<u>163,673</u>	<u>11,032</u>
Net structural position	<u>153,369</u>	<u>754</u>	<u>28,414</u>	<u>182,537</u>
	31 December 2023			
	USD	HKD	Others	Total
Spot assets	2,069,540	493,862	1,105,223	3,668,625
Spot liabilities	(1,977,668)	(583,968)	(827,181)	(3,388,817)
Forward purchases	2,555,132	307,986	524,807	3,387,925
Forward sales	(2,784,831)	(124,849)	(758,157)	(3,667,837)
Net option position	(20,223)	2,185	(12,736)	(30,774)
Net (short)/long position	<u>(158,050)</u>	<u>95,216</u>	<u>31,956</u>	<u>(30,878)</u>
Net structural position	<u>146,012</u>	<u>870</u>	<u>26,781</u>	<u>173,663</u>

# Industrial and Commercial Bank of China Limited

## Unaudited Supplementary Information to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 2. Currency concentrations (continued)

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority. The net structural position of the Group includes the structural positions of the Bank's overseas branches, banking subsidiaries and other subsidiaries substantially involved in foreign exchange transactions. Structural assets and liabilities include:

- property and equipment, net of depreciation charges;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries, associates and joint ventures.

### 3. Loans and advances to customers (excluding accrued interest)

#### (i) Overdue loans and advances to customers

	<b>31 December 2024</b>	31 December 2023
Gross loans and advances to customers of the Group which have been overdue with respect to either principal or interest for periods of:		
Between 3 and 6 months	<b>50,420</b>	38,972
Between 6 and 12 months	<b>70,159</b>	62,917
Over 12 months	<b>163,800</b>	121,299
	<b>284,379</b>	223,188
As a percentage of the total gross loans and advances to customers:		
Between 3 and 6 months	<b>0.18%</b>	0.15%
Between 6 and 12 months	<b>0.25%</b>	0.24%
Over 12 months	<b>0.57%</b>	0.46%
	<b>1.00%</b>	0.85%

# Industrial and Commercial Bank of China Limited

## Unaudited Supplementary Information to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 3. Loans and advances to customers (excluding accrued interest) (continued)

#### (i) Overdue loans and advances to customers (continued)

The definition of overdue loans and advances to customers is as follows:

Loans and advances to customers with a specific repayment date are classified as overdue when the principal or interest is overdue.

For loans and advances to customers repayable by regular instalments, if part of the instalments is overdue, the whole amount of the loans and advances would be classified as overdue.

#### (ii) Overdue loans and advances to customers by geographical distribution

	<b>31 December 2024</b>	31 December 2023
Head Office	<b>52,829</b>	46,984
Bohai Rim	<b>55,728</b>	48,059
Western China	<b>58,118</b>	53,866
Central China	<b>59,785</b>	42,126
Pearl River Delta	<b>73,465</b>	54,727
Yangtze River Delta	<b>49,448</b>	33,009
Northeastern China	<b>17,743</b>	18,899
Overseas and others	<b>39,623</b>	32,754
	<b>406,739</b>	330,424

# Industrial and Commercial Bank of China Limited

## Unaudited Supplementary Information to the Consolidated Financial Statements (continued)

(In RMB millions, unless otherwise stated)

### 3. Loans and advances to customers (excluding accrued interest) (continued)

(iii) Rescheduled loans and advances to customers

	31 December 2024		31 December 2023	
		<b>% of total loans and advances to customers</b>		<b>% of total loans and advances to customers</b>
Rescheduled loans and advances to customers	<b>139,086</b>	<b>0.49%</b>	82,723	0.32%
Less: Rescheduled loans and advances to customers overdue for more than three months	<u>(23,378)</u>	<u>(0.08%)</u>	<u>(8,575)</u>	<u>(0.03%)</u>
Rescheduled loans and advances to customers overdue for less than three months	<u><b>115,708</b></u>	<u><b>0.41%</b></u>	<u>74,148</u>	<u>0.29%</u>

### 4. Exposures to non-bank entities in Chinese mainland

The Bank is a commercial bank incorporated in Chinese mainland with its banking business primarily conducted in Chinese mainland. As at 31 December 2024 and 31 December 2023, substantial amounts of the Bank's exposures arose from businesses with entities or individuals in Chinese mainland. Analyses of various types of exposures by counterparty have been disclosed in the respective notes to the financial statements.