ICBC

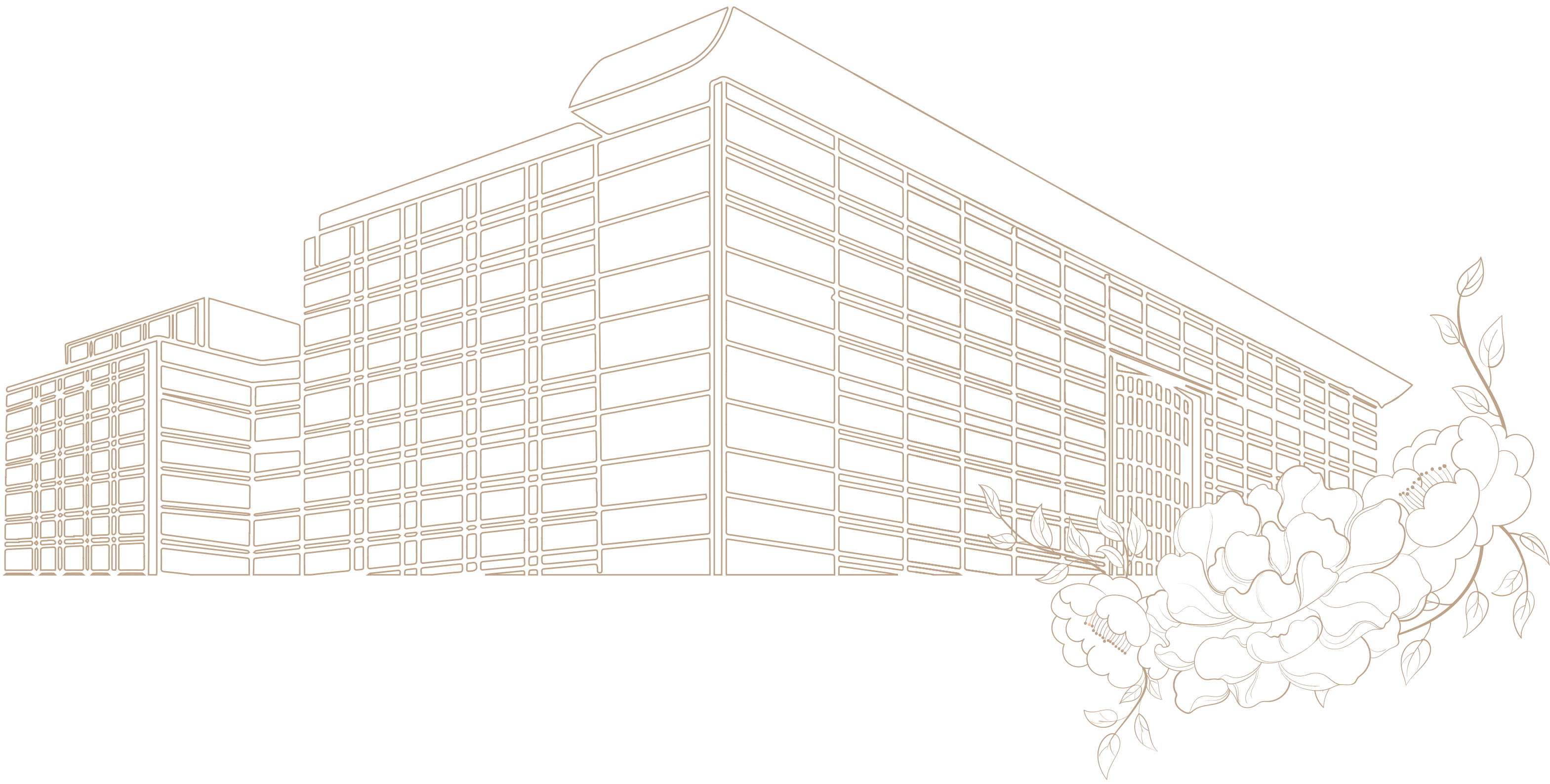
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

Stock Code: 1398

# 2024 Annual Report

# Company Profile



Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured into a joint-stock limited company. On 27 October 2006, the Bank was successfully listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

The Bank has devoted itself to building a world-class and modern financial institution with Chinese characteristics. The Bank has a high-quality customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing abundant financial products and superior financial services to over 13.00 million corporate customers and 766 million personal customers around the world. It has served the high-quality development of the economy and society with its own high-quality development. The Bank has been consciously integrating social responsibilities into its development strategy and operation and management activities, and gaining wide recognition in the aspects of serving the manufacturing industry, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always keeps in mind its underlying mission of serving the real economy with its principal business, and along with the real economy it prospers, suffers and grows. Taking a risk-based approach and never overstepping the bottom line, it constantly enhances its capability of controlling and mitigating risks. Besides, the Bank remains steadfast in understanding and following the business rules of commercial banks to strive to be a long-lasting and ever-prosperous bank. It also stays committed to seeking progress with innovation while maintaining stability, continuously enhances the key development strategies, actively develops the FinTech and accelerates the digital transformation. The Bank unswervingly delivers specialized services, and pioneers a specialized business model, thus making it "a craftsman in large banking".

The Bank was ranked the 1st place among the Top 1000 World Banks by *The Banker* for the twelfth consecutive year, and took the 1st place among the Top 500 Banking Brands of *Brand Finance* for the ninth consecutive year.

## Strategic Objective

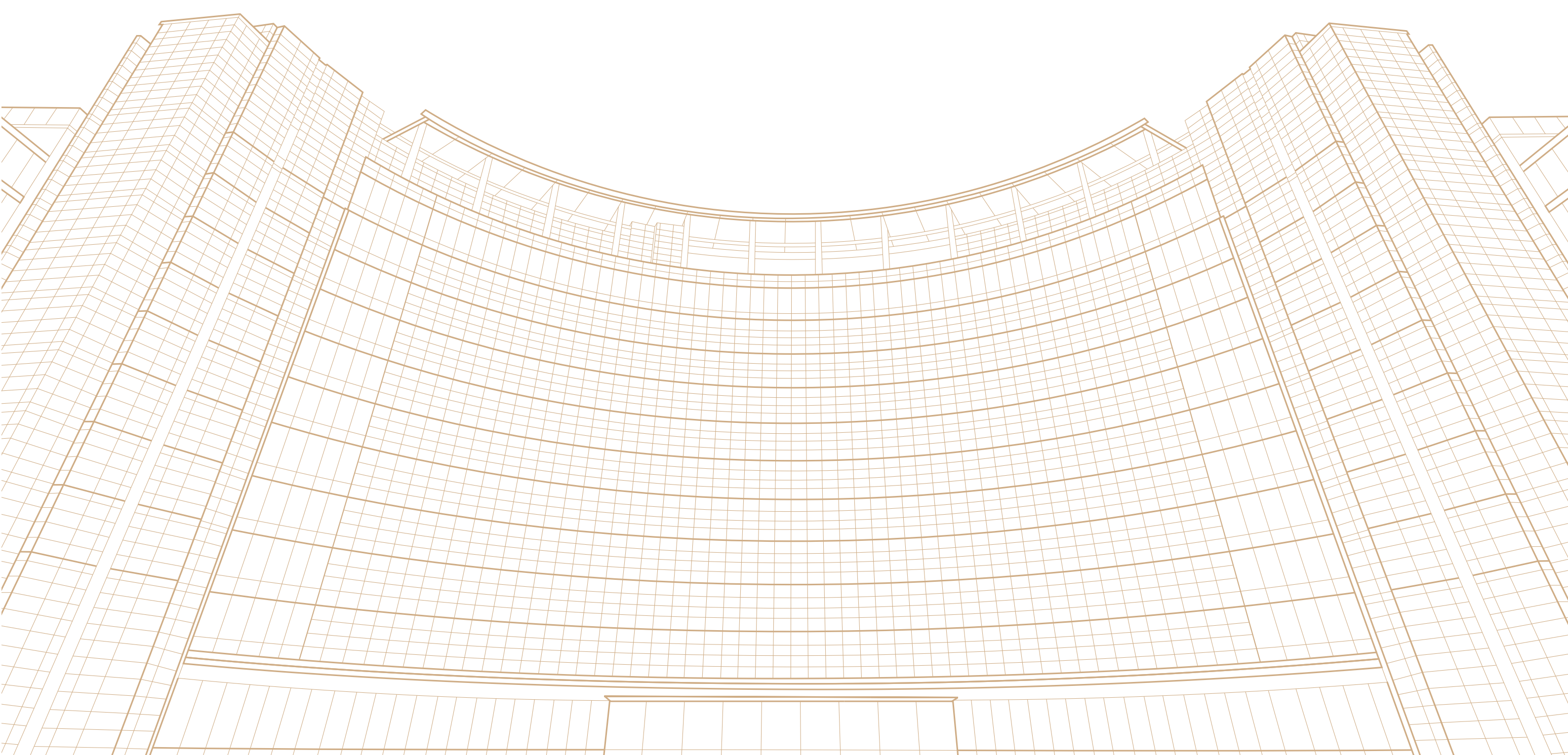
Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, ICBC will adhere to the general working principle of pursuing progress while ensuring stability, fully and faithfully apply the new development philosophy on all fronts, modernize its governance system and capacity, and turn ICBC into a world-class and modern financial institution with Chinese characteristics.

## Strategic Positionings

Act as a leading bank to be the main force in serving the real economy, the ballast stone in maintaining financial stability, a bellwether in building strong financial institutions, and a benchmark bank in fulfilling major responsibilities and core businesses.

## Strategic Significance

Adhere to the guidance of the Party building theory, and promote the “five transformations” of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation.



## Mission

### Excellence for You

Excellent services for clients
Maximum returns to shareholders
Real success for employees
Great contribution to society

## Vision

To build a world-class modern financial institution with Chinese characteristics in all aspects, and become a long-lasting and ever-prosperous bank

## Values

### Integrity Leads to Prosperity

Integrity
Humanity
Prudence
Innovation
Excellence

# Contents

# Definitions

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

| | |
|---|---|
| Articles of Association | The Articles of Association of Industrial and Commercial Bank of China Limited |
| Bank ICBC (JSC) | Bank ICBC (joint stock company) |
| Capital Rules (Provisional) | Rules on Capital Management of Commercial Banks (Provisional) promulgated in June 2012 |
| Capital Rules/New Capital Rules | Rules on Capital Management of Commercial Banks |
| CSRC | China Securities Regulatory Commission |
| Former CBIRC | Former China Banking and Insurance Regulatory Commission |
| HKEX | Hong Kong Exchanges and Clearing Limited |
| Hong Kong Listing Rules | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| Huijin | Central Huijin Investment Ltd. |
| ICBC (Almaty) | Industrial and Commercial Bank of China (Almaty) Joint Stock Company |
| ICBC (Argentina) | Industrial and Commercial Bank of China (Argentina) S.A.U. |
| ICBC (Asia) | Industrial and Commercial Bank of China (Asia) Limited |
| ICBC (Austria) | ICBC Austria Bank GmbH |
| ICBC (Brasil) | Industrial and Commercial Bank of China (Brasil) S.A. |
| ICBC (Canada) | Industrial and Commercial Bank of China (Canada) |
| ICBC (Europe) | Industrial and Commercial Bank of China (Europe) S.A. |
| ICBC (Indonesia) | PT. Bank ICBC Indonesia |
| ICBC (London) | ICBC (London) PLC |
| ICBC (Macau) | Industrial and Commercial Bank of China (Macau) Limited |
| ICBC (Malaysia) | Industrial and Commercial Bank of China (Malaysia) Berhad |
| ICBC (Mexico) | Industrial and Commercial Bank of China Mexico S.A. |
| ICBC (New Zealand) | Industrial and Commercial Bank of China (New Zealand) Limited |
| ICBC (Peru) | ICBC PERU BANK |
| ICBC (Thai) | Industrial and Commercial Bank of China (Thai) Public Company Limited |
| ICBC (Turkey) | ICBC Turkey Bank Anonim Şirketi |
| ICBC (USA) | Industrial and Commercial Bank of China (USA) NA |
| ICBC Credit Suisse Asset Management | ICBC Credit Suisse Asset Management Co., Ltd. |
| ICBC International | ICBC International Holdings Limited |
| ICBC Investment | ICBC Financial Asset Investment Co., Ltd. |
| ICBC Investments Argentina | ICBC Investments Argentina S.A. Sociedad Gerente de Fondos Comunes de Inversión |
| ICBC Leasing | ICBC Financial Leasing Co., Ltd. |
| ICBC Standard Bank | ICBC Standard Bank PLC |
| ICBC Wealth Management | ICBC Wealth Management Co., Ltd. |
| ICBC-AXA | ICBC-AXA Assurance Co., Ltd. |
| ICBCFS | Industrial and Commercial Bank of China Financial Services LLC |
| IFRSs | The International Financial Reporting Standards promulgated by the International Accounting Standards Board, which comprise the International Accounting Standards |
| Inversora Diagonal | Inversora Diagonal S.A. |
| MOF | Ministry of Finance of the People's Republic of China |
| NFRA | National Financial Regulatory Administration |
| PBC | The People's Bank of China |
| PRC GAAP | Accounting Standards for Business Enterprises promulgated by the MOF |
| Securities and Futures Ordinance of Hong Kong | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| SEHK | The Stock Exchange of Hong Kong Limited |
| SGE | Shanghai Gold Exchange |
| SSE | Shanghai Stock Exchange |
| SSF | National Council for Social Security Fund |
| Standard Bank | Standard Bank Group Limited |
| State Council | The State Council of the People's Republic of China |
| The Bank/The Group | Industrial and Commercial Bank of China Limited; or Industrial and Commercial Bank of China Limited and its subsidiaries |

# Major Ranking and Rewards in 2024

Ranking the 1st place

Among the Top 1000 World Banks for the twelfth consecutive year

**The Banker**

Ranking the 1st place

Among the Top 500 Banking Brands for the ninth consecutive year

**Brand Finance**

Ranking the 1st place

In the GYROSCOPE assessment system among national commercial banks for the fourth consecutive year

**China Banking Association**

Ranking the 4th place

in the Global 2000

**Forbes**

Ranking the 22nd place

in the Global 500

**Fortune**

Bank of the Year, China

**The Banker**

Best Investment Bank in Asia Pacific

Best Corporate Bank in China

Best Domestic Bank for Belt and Road

**Global Finance**

Best Transaction Bank in China

Best Private Bank in China (Mega Bank)

Best Mega Custodian Bank in China

**The Asian Banker**

Best Bank for Sustainable Finance, China

Best Bond Advisor, China

Digital Bank of the Year, China

**The Asset**

Best Corporate Bank in China

**Euromoney**

1st to achieve the Data Management Capability Maturity Assessment Model (DCMM) Level 5 Re-evaluation Certification

Top 10 Brands in Data Management for the Year 2024

**China Federation of Electronics and Information Industry**

Institution of Excellence in Financial Innovation

**The Chinese Banker**

# Important Notice

The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management members of Industrial and Commercial Bank of China Limited undertake that the information in this report contains no false record, misleading statement or material omission, and assume individual and joint and several liability for the authenticity, accuracy and completeness of the information in this report.

The 2024 Annual Report and the Results Announcement of the Bank have been considered and approved at the meeting of the Board of Directors of the Bank held on 28 March 2025. All directors of the Bank attended the meeting.

The 2024 financial statements prepared by the Bank in accordance with PRC GAAP and IFRSs have been audited by Ernst & Young Hua Ming LLP and Ernst & Young in accordance with Chinese and International Standards on Auditing respectively, with unqualified auditors' reports being issued.

Upon the approval at the Third Extraordinary General Meeting of 2024 held on 2 December 2024, the Bank 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 2024 year-end cash dividend for ordinary shares of about RMB58,664 million, or RMB1.646 per ten shares (pre-tax). 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 for approval to the Annual General Meeting for the Year 2024. The Bank did not convert capital reserve to share capital.

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

28 March 2025

Mr. Liao Lin, Legal Representative of the Bank, Mr. Liu Jun, Person in charge of finance of the Bank, and Mr. Xu Zhisheng, Person in charge of Finance and Accounting Department of the Bank, hereby warrant that the financial statements contained in the Annual Report are authentic, accurate and complete.

The report contains forward-looking statements on the Bank's financial position, business performance and development. The statements are based on existing plans, estimates and forecasts, and bear upon future external events or the Group's future finance, business or performance in other aspects, and may involve future plans which do not constitute substantive commitment to investors. Hence, investors and persons concerned shall be fully aware of the risks and understand the difference between plans, estimates and commitments.

The Bank is primarily exposed to credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputational risk and country risk. The Bank has actively adopted measures to effectively manage various types of risks. Please refer to the section headed "Discussion and Analysis — Risk Management" for detailed information.

This report is prepared in both Chinese and English. In the case of discrepancy between the two versions, the Chinese version shall prevail.

# Corporate Information

**Legal name in Chinese**
中國工商銀行股份有限公司("中國工商銀行")

**Legal name in English**
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED ("ICBC")

**Legal Representative**
Liao Lin

**Registered address and office address**
55 Fuxingmennei Avenue, Xicheng District, Beijing, China
Postal code: 100140
Telephone: 86-10-66106114
Business enquiry and complaint hotline: 86-95588
Website: www.icbc.com.cn, www.icbc-ltd.com

**Principal place of business in Hong Kong SAR, China**
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China

**Authorized representatives**
Liu Jun and Duan Hongtao

**Board Secretary and Company Secretary**
Duan Hongtao
Address: 55 Fuxingmennei Avenue, Xicheng District, Beijing, China
Telephone: 86-10-66108608
Facsimile: 86-10-66107420
E-mail: ir@icbc.com.cn

**Selected newspaper for information disclosure**
China Securities Journal, Shanghai Securities News, Securities Times, Economic Information Daily

**Website of the SSE for disclosure of the annual report in respect of A shares**
www.sse.com.cn

**The "HKEXnews" website of the HKEX for disclosure of the annual report in respect of H shares**
www.hkexnews.hk

**Legal Advisors**

**Chinese mainland**
King & Wood Mallesons
17-18/F, East Tower, World Financial Center, 1 East 3rd Ring Middle Road, Chaoyang District, Beijing, China

Haiwen & Partners
20/F, Fortune Financial Center, 5 East 3rd Ring Middle Road, Chaoyang District, Beijing, China

**Hong Kong SAR, China**
DLA Piper
25th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong SAR, China

Linklaters LLP
11th Floor, Alexandra House, Chater Road, Central, Hong Kong SAR, China

**Share Registrars**

**A Share**
China Securities Depository and Clearing Corporation Limited, Shanghai Branch
188 Yanggao South Road, Pudong New Area, Shanghai, China
Telephone: 86-4008058058

**H Share**
Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong SAR, China
Telephone: 852-28628555
Facsimile: 852-28650990

**Location where copies of this annual report are kept:**
Board of Directors' Office of the Bank

**Place where shares are listed, and their names and codes**

**A Share**
Shanghai Stock Exchange
Stock name: 工商銀行
Stock code: 601398

**H Share**
The Stock Exchange of Hong Kong Limited
Stock name: ICBC
Stock code: 1398

**Domestic Preference Share**
Shanghai Stock Exchange
Stock name: 工行優 1
Stock code: 360011

Stock name: 工行優 2
Stock code: 360036

**Offshore Preference Share**
The Stock Exchange of Hong Kong Limited
Stock name: ICBC 20USDPREF
Stock code: 4620

**Name and office address of Auditors**

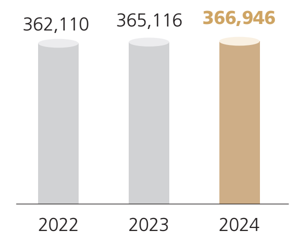
**Domestic Auditor**
Ernst & Young Hua Ming LLP
17/F, Ernst & Young Building, 1 East Chang'an Avenue, Dongcheng District, Beijing, China
CPAs (Practicing): Yan Shengwei and Shi Yuxuan

**International Auditor**
Ernst & Young
27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong SAR, China

# Financial Highlights

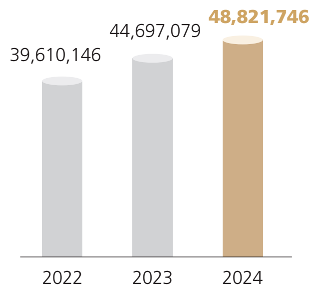
## Net profit
Unit: RMB millions

**366,946** RMB million



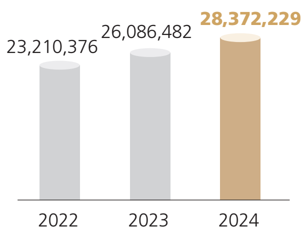

## Total assets
Unit: RMB millions

**48,821,746** RMB million



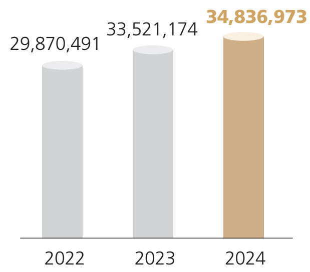

## Total loans and advances to customers
Unit: RMB millions

**28,372,229** RMB million

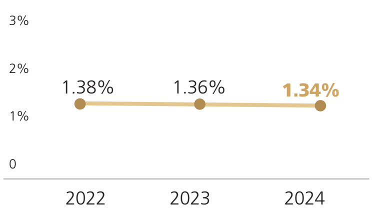



## Due to customers
Unit: RMB millions

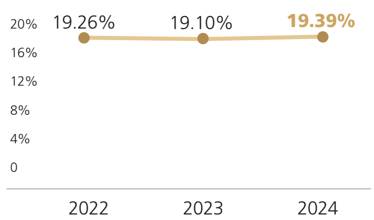
**34,836,973** RMB million



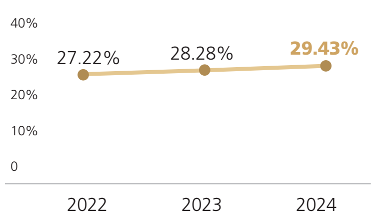

## Non-performing loans (“NPLs”) ratio
Unit: %



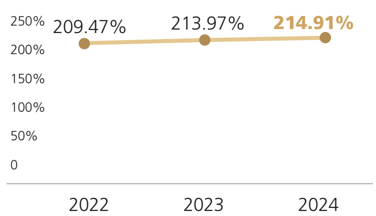

## Capital adequacy ratio
Unit: %




## Cost-to-income ratio
Unit: %




## Allowance to NPLs
Unit: %



**Corporate customers**

13.3486 million

**Personal customers**

766 million

**Business outlets**

15,365

**Personal mobile banking customers**

588 million

**Green loans**

with balance of exceeding RMB 6 trillion

**Loans invested in the manufacturing industry**

with balance of RMB 4.4 trillion

**Agriculture-related loans**

with balance of RMB 4.4 trillion

**Loans to strategic emerging industries**

with balance of exceeding RMB 3 trillion

Financial data and indicators in this annual report are prepared in accordance with IFRSs and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.

## Financial Data

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Annual operating results** (in RMB millions) | | | | | |
| Net interest income | 637,405 | 655,013 | 691,985 | 690,680 | 646,765 |
| Net fee and commission income | 109,397 | 119,357 | 129,325 | 133,024 | 131,215 |
| Operating income | 786,126 | 806,458 | 842,352 | 860,880 | 800,075 |
| Operating expenses | 242,155 | 238,698 | 239,351 | 236,227 | 206,585 |
| Impairment losses on assets(2) | 126,663 | 150,816 | 182,677 | 202,623 | 202,668 |
| Operating profit | 417,308 | 416,944 | 420,324 | 422,030 | 390,822 |
| Profit before taxation | 421,827 | 421,966 | 424,720 | 424,899 | 392,126 |
| Net profit | 366,946 | 365,116 | 362,110 | 350,216 | 317,685 |
| Net profit attributable to equity holders of the parent company | 365,863 | 363,993 | 361,132 | 348,338 | 315,906 |
| Net cash flows from operating activities | 579,194 | 1,417,002 | 1,404,657 | 360,882 | 1,557,616 |

## Financial Data (continued)

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **As at the end of reporting period** (in RMB millions) | | | | | |
| Total assets | 48,821,746 | 44,697,079 | 39,610,146 | 35,171,383 | 33,345,058 |
| Total loans and advances to customers | 28,372,229 | 26,086,482 | 23,210,376 | 20,667,245 | 18,624,308 |
| Corporate loans | 17,482,223 | 16,145,204 | 13,826,966 | 12,194,706 | 11,102,733 |
| Personal loans | 8,957,720 | 8,653,621 | 8,234,625 | 7,944,781 | 7,115,279 |
| Discounted bills | 1,932,286 | 1,287,657 | 1,148,785 | 527,758 | 406,296 |
| Allowance for impairment losses on loans(3) | 815,497 | 756,391 | 672,762 | 603,983 | 531,161 |
| Investment | 14,153,576 | 11,849,668 | 10,533,702 | 9,257,760 | 8,591,139 |
| Total liabilities | 44,834,480 | 40,920,491 | 36,094,727 | 31,896,125 | 30,435,543 |
| Due to customers | 34,836,973 | 33,521,174 | 29,870,491 | 26,441,774 | 25,134,726 |
| Corporate deposits | 15,507,405 | 16,209,928 | 14,671,154 | 13,331,463 | 12,944,860 |
| Personal deposits | 18,541,510 | 16,565,568 | 14,545,306 | 12,497,968 | 11,660,536 |
| Other deposits | 228,721 | 210,185 | 199,465 | 250,349 | 261,389 |
| Accrued interest | 559,337 | 535,493 | 454,566 | 361,994 | 267,941 |
| Due to banks and other financial institutions | 4,590,965 | 3,369,858 | 3,187,712 | 2,921,029 | 2,784,259 |
| Equity attributable to equity holders of the parent company | 3,969,841 | 3,756,887 | 3,496,109 | 3,257,755 | 2,893,502 |
| Share capital | 356,407 | 356,407 | 356,407 | 356,407 | 356,407 |
| Net common equity tier 1 capital(4) | 3,624,342 | 3,381,941 | 3,121,080 | 2,886,378 | 2,653,002 |
| Net tier 1 capital(4) | 3,949,453 | 3,736,919 | 3,475,995 | 3,241,364 | 2,872,792 |
| Net capital base(4) | 4,986,531 | 4,707,100 | 4,281,079 | 3,909,669 | 3,396,186 |
| Risk-weighted assets(4) | 25,710,855 | 24,641,631 | 22,225,272 | 21,690,349 | 20,124,139 |
| **Per share data** (in RMB yuan) | | | | | |
| Net asset value per share(5) | 10.23 | 9.55 | 8.82 | 8.15 | 7.48 |
| Basic earnings per share(6) | 0.98 | 0.98 | 0.97 | 0.95 | 0.86 |
| Diluted earnings per share(6) | 0.98 | 0.98 | 0.97 | 0.95 | 0.86 |

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Credit rating** | | | | | |
| S&P(7) | A | A | A | A | A |
| Moody's(7) | A1 | A1 | A1 | A1 | A1 |

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 Capital Rules in 2024. Calculated in accordance with the Capital Rules (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".

## Financial Indicators

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

## Quarterly Financial Data

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **(In RMB millions)** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |
| Operating income | 210,165 | 191,834 | 197,108 | 187,019 | 218,461 | 210,445 | 194,614 | 182,938 |
| Net profit attributable to equity holders of the parent company | 87,653 | 82,814 | 98,558 | 96,838 | 90,164 | 83,580 | 94,929 | 95,320 |
| Net cash flows from operating activities | 1,367,252 | (1,340,269) | 1,050,265 | (498,054) | 1,105,614 | 191,655 | 611,850 | (492,117) |

# Chairman's Statement

*Chairman* **Liao Lin**

2024 marked a crucial year for fulfilling targets and tasks set out in the 14th Five-Year Plan as well as an important year of the new journey for ICBC after its 40th anniversary of the founding. We adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly studied and implemented the guiding principles from the third plenary session of the 20th National Congress of the Communist Party of China ("CPC" or the "Party") and the Central Financial Work Conference. Following the principle of "guarding against risks, strengthening supervision, and promoting development", ICBC made solid strides in giving greater play to the political and people-oriented nature of financial work, taking a holistic approach to deliver, and meeting difficulties head-on and striving for achievements in reform and transformation.

**As a valuable bank, ICBC followed the general principle of pursuing progress while ensuring stability, and sustained efforts to grow bigger and stronger.** Stability is of overall importance, and progress points to the direction. Over the year, we gained a deeper understanding of essentials and laws of finance, ensured both development and security, spared no effort to strike a dynamic balance between value creation, market position, risk control and capital constraint, and worked hard for a clean and healthy balance sheet as well as a balanced and sustainable income statement. **The foundation for stability was fully consolidated.** With such metrics as assets, capital, deposits and loans all maintaining rapid growth, ICBC remained the largest bank in the world. **The superior quality was constantly improved.** Net profit increased year on year, cost-to-income ratio remained superior, and both ROA and ROE stayed within an appropriate range. **The resilience of strong development was further highlighted.** NPL ratio was on a constant decline, while both allowance to NPLs and capital adequacy ratio steadily rose. **The new momentum was accelerated.** Such new types of infrastructure services as payment, settlement, clearing and custody achieved rapid growth, new business areas involving investment banking, wealth, asset management, and transactions grew in step with each other, businesses relating to emerging industries and future-oriented industries boomed, and new areas and tracks were diversified and upgraded on a continual basis. In addition to the interim dividend payout of about RMB51,109 million, ICBC anticipated the distribution of an additional final dividend of about RMB58,664 million. Calculated at average share prices around the year, our A-share and H-share dividend rates were 5.32% and 7.49%, respectively, contributing to stability amid market fluctuations.

**As a leading bank, ICBC stayed committed to sticking to its major responsibilities and core businesses, and serving the real economy in a high-quality manner.** As high-quality development must be pursued as a top priority in the new era, the financial sector cannot achieve high-quality development unless it can help advance high-quality development in social and economic spheres. Bearing in mind top priorities of the country, we worked tirelessly to help advance Chinese modernization, which is our greatest responsibility and largest opportunity, and were determined to act as the main force in serving the real economy, and become the ballast stone in maintaining financial stability, a bellwether in building strong financial institutions and a benchmark bank in fulfilling major responsibilities and core businesses. We took the initiative to implement existing policies to stabilize the economy as well as a raft of incremental policies, and saw an increase of 8.8% and 20.1%, respectively, in loans granted and bond investments, which helped support sustained economic recovery and growth. We put in place a work system for implementing the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance. Loans invested in the manufacturing industry, strategic emerging industries, and green development grew by 13.7%, 16.7% and 19.1%, respectively, all topping the ranking in the market. To promote high-standard opening-up, we saw a surge of 41% in cross-border RMB settlement, and spoke favorably of China's economic prospect through such platforms as the BRICS Business Council, the China-Europe Business Council and the Belt and Road Bankers Roundtable. Furthermore, we prioritized defusing risks in real estate and other key areas, and instructed small and medium-sized financial institutions on technology of risk control. We strictly followed the principle of "active prevention, smart control and comprehensive management" to cement the three lines of defense. As a result, risks in "9+X" categories were broadly controlled, and the quality of assets saw steady improvements.

**As a modernized bank, ICBC attached importance to upholding fundamental principles and breaking new ground, and stayed committed to advancing reform and transformation.** ICBC was established in response to the national reform policy, has thrived in reform, and is bound to gain strength in reform. As we pushed ahead with the "five transformations" of intelligent risk control, modern layout, digital driver, diversified structure and ecological foundation, sustained progress was made in value creation, market competitiveness, market influence, and capacity for risk management and control. **Intelligent risk control became more effective.** We launched the main functions of the enterprise-level intelligent risk control platform, worked to improve the working mechanisms of the Risk Management and Internal Control Committee, and risk officer, and continued to improve our enterprise risk management system. **The modern layout was better-aligned.** ICBC took the lead in establishing a headquarters for the Free Trade Zone program in Shanghai, was the first China's banking institution to release the service program for financial infrastructure, and made an all-out effort to help develop new quality productive forces in line with local conditions. **The digital driver was substantially enhanced.** With focus on tackling core technological challenges, ICBC pushed ahead with the D-ICBC initiative. The number of monthly active mobile banking customers topped 260 million, and more than 200 independent application scenarios for a hundreds of billion-level AI model technology system were built. **The diversified structure saw continuous improvements.** The share of micro customers, the proportion of new "retail + inclusive" loans, and profit contribution degrees of overseas institutions and major domestic subsidiaries all increased over the previous year. **The ecological foundation was further consolidated.** With the implementation of "GBC+" projects, the number of personal customers and corporate customers climbed to more than 760 million and 13.00 million, respectively.

**As a bank satisfactory to the people, ICBC stayed committed to serving the people with finance and further polished our brand image.** Customers are the foundation of development, and financial work is aimed at meeting the people's aspiration for a better life. We continued to upgrade and improve our service system, and handled with keen attention and care all matters, significant and minor, in an aim to consistently serve our customers and win their trust. We coordinated efforts to promote digital finance development and widen channels in rural areas, and took the lead in improving payment facilitation to make services more inclusive and widely available. With these efforts, inclusive loan customers surged 42% from the beginning of the year, agriculture-related loans increased by 22% compared with the beginning of the year, growth for customers at the county level outperformed the Bank's average level, and newly-opened personal pension accounts soared 187%. Personal consumption loans and personal business loans increased by 28.3% and 24.6% as compared to the beginning of the year, respectively, to help boost domestic demand. We lowered interest rates on existing mortgage loans in a timely manner, benefiting 11.00 million households. Efforts were beefed up to promote the financial consumer protection, bringing about a steady improvement in customer satisfaction. Public-benefit programs were launched actively. The Bank set up 15 thousand "ICBC Sharing Stations" to deepen services benefiting the people, and continued to play the enabling role of finance in improving the people's wellbeing.

**As a clean bank, ICBC reinforced the Party building and took on a new look.** ICBC is born with the red gene and continues to pass it down. We have adhered to the Party's overall leadership, earnestly made rectifications following the disciplinary inspection by the CPC Central Committee, improved the long-term mechanism of "strengthening the soul through learning, enhancing wisdom through learning, rectifying conduct through learning and promoting action through learning", firmly advocated "establishing Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and establishing the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era", and faithfully "upheld Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and upheld the Central Committee's authority and its centralized, unified leadership". We took solid steps to conduct Party discipline learning and education, and promoted full and strict governance over the Party and over the Bank in a deep-going way. We amended and improved the corporate governance system, adjusted departments and their management functions in the Head Office, rolled out the "subsidiary-specific policy" to enhance administration, optimized the internal control mechanism, worked to cultivate and carry forward financial culture with Chinese characteristics, and made corporate governance more effective.

At present, changes never seen in a century are evolving at a faster pace, and challenges stemming from uncertainties in the external environment are mounting. Against this backdrop, it is more necessary to view the Bank's prospects in a comprehensive, dialectical and long-range manner. **It is important to see the general trend.** The long-term positive trend of the Chinese economy, an integral part of the global economy, has not changed and will not change. Despite grave and complicated situations last year, the Chinese economy sustains the momentum of recovery and growth, and shows enormous resilience. This is the biggest foundation and strongest support for the high-quality development of ICBC. **It is important to capitalize on the momentum.** While growth in China's banking sector is experiencing short-term volatility from a global perspective, high-quality development is carrying forward energetically, driven by the integration of sci-tech innovation and industrial innovation. A steady rise in ICBC's net profit last year is attributable to structural improvements in its traditional businesses, and solid strides in new types of business, in particular, innovative applications of FinTech, which created more and stronger new drivers of growth. **It is important to bear in mind the tendency.** In the context of China's banking sector, development is the foundation, risk control provides guarantee, opportunities are analogous to key conditions, and marching forward courageously never falters. Over more than four decades, ICBC has withstood numerous challenges and tests to gain strength. No matter how situations will evolve and what difficulty will arise, we firmly believe that ICBC, a world-class and modern financial institution with Chinese characteristics, will cleave the waves and march forward steadfastly.

**Let's brave the wind and waves to strive hard for splendid prospects.** 2025 marks the last year for implementing the 14th Five-Year Plan. ICBC will adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and fully and faithfully apply the new development philosophy on all fronts. ICBC will embark on a new journey, as an industry leader, to pursue balancing and tackle challenges, adhere to the guidance of the Party building theory and push ahead with the "five transformations", work hard for effective improvements in quality, reasonable growth in quantity, targeted risk prevention and control, and strict observance of rules and regulations, and stay committed to the path of financial development with Chinese characteristics, so as to contribute to a successful conclusion of the 14th Five-Year Plan and make unremitting efforts to build a strong financial country and advance Chinese modernization.

**Chairman: Liao Lin**

28 March 2025

# President's Statement

*President* **Liu Jun**

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 by 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 20th National Congress of the CPC and the Central Financial Work Conference. ICBC made a new start after its 40th 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 the 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 14th 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.

**President: Liu Jun**

28 March 2025

# Discussion and Analysis

## Economic, Financial and Regulatory Environments

In 2024, in the face of the complex situation of increasing external pressure and internal difficulties, China's economy showed a general trend of steady progress, production growth remained steady, and demand stabilized overall. The new quality productive forces were developed steadily, and the annual economic growth targets were successfully achieved. Especially since late September, China has stepped up efforts to launch a raft of incremental policies to promote the sustained economic recovery. In 2024, China's gross domestic product (GDP), value added of industrial enterprises above designated size, and fixed asset investment (excluding rural households) rose by 5.0%, 5.8% and 3.2% year on year respectively. Retail sales of consumer goods, total imports and exports of trade in goods (RMB-denominated), and consumer price index (CPI) rose by 3.5%, 5.0% and 0.2% year on year respectively.

The proactive fiscal policy intensified the counter-cyclical adjustment. The intensity of fiscal expenditure was maintained, and local government bonds of RMB4 trillion and ultra-long special treasury bonds of RMB1 trillion were issued; the support for the implementation of major national strategies and the building of security capabilities in key areas was strengthened, and large-scale equipment renewal and trade-in of consumer goods were supported; a raft of debt resolution plans to support local governments were launched to resolve debt risks and enhance the development momentum.

The PBC remained firm on supportive monetary policies. The reserve requirement ratio ("RRR") was cut twice by 1 percentage point totally to maintain reasonably abundant liquidity; the interest rate of the 7-day reverse repo operation was cut twice by a total of 0.3 percentage points, the transmission mechanisms of the policy interest rate was improved, giving full play to the role of the market-oriented adjustment mechanism of the deposit interest rate, and the 1-year and over-5-year loan prime rates ("LPR") were guided to fall by 35 basis points and 60 basis points respectively; the toolbox of monetary policy was enriched, and the buying and selling of treasury bonds in open market operations were increased; re-lending for sci-tech innovation and technological transformation were set up, and the financial support for key areas was increased; re-lending for affordable housing was launched, the lower limit of the mortgage interest rate policy was canceled, the reduction of the interest rate on existing housing loans was promoted, and the stable and healthy development of the real estate market was supported; two capital market support tools, i.e., the Securities, Funds, and Insurance Companies Swap Facility (SFISF) as well as central bank lending for share buybacks and shareholding increases, were created to effectively improve capital market expectations. In the next stage, the PBC will implement an appropriately accommodative monetary policy to keep aggregate financing and money supply to remain in step with the expected targets of economic growth and aggregate price levels.

The total amount of financial resources grew reasonably. As at the end of 2024, the balance of broad money supply (M2) was RMB313.53 trillion, up 7.3% year on year. The outstanding aggregate financing to the real economy (AFRE) stood at RMB408.34 trillion, up 8.0% year on year. The outstanding RMB loans reached RMB255.68 trillion, increasing by 7.6% year on year. The balance of RMB deposits amounted to RMB302.25 trillion, up 6.3% year on year. The total issuance amount of various bonds in the bond market reached RMB79.6 trillion, up 12.4% year on year. Shanghai Composite Index and the Shenzhen Component Index rose by 12.7% and 9.3% respectively over the end of last year. The RMB exchange rate remained basically stable at a reasonable and balanced level. The central parity of RMB against the USD was RMB7.1884, a depreciation of 1.47% from the end of last year.

The financial regulatory authorities coordinated to promote the work of preventing risks, strengthening supervision and promoting development. The capital supervision of commercial banks was strengthened to promote banks to continuously improve their risk management levels. The Rules on Compliance Management of Financial Institutions was issued to improve the capacity of financial institutions to operate in compliance with the law. The management and supervision of syndicated loan business were optimized and improved to promote the standardized and healthy development of the syndicated loan business. The banking sector was promoted to well perform in the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, to enhance the ability of technology financial services, deepen financial services for the manufacturing industry, and reinforce financial support for green and low-carbon development. A coordination mechanism was established to support the financing of micro and small-sized enterprises, and the policy of renewing loans without principal repayment was expanded to medium-sized enterprises in stages. A coordination mechanism for urban real estate financing was established to support the reasonable financing needs of real estate projects.

Total assets of commercial banks kept on growing steadily, with stable credit asset quality and sufficient risk offsetting capacity on the whole. As at the end of 2024, the RMB and foreign-currency assets of commercial banks totaled RMB380.52 trillion, up 7.2% year on year. The balance of NPLs of commercial banks reached RMB3.28 trillion, with a NPL ratio of 1.50% and allowance to NPLs of 211.19%. The capital adequacy ratio was 15.74%.

# Financial Statements Analysis



## 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.

**CHANGES OF KEY INCOME STATEMENT ITEMS**

In RMB millions, except for percentages

| Item | 2024 | 2023 | Increase/ (decrease) | Growth rate (%) |
|---|---|---|---|---|
| Net interest income | 637,405 | 655,013 | (17,608) | (2.7) |
| Non-interest income | 148,721 | 151,445 | (2,724) | (1.8) |
| Operating income | 786,126 | 806,458 | (20,332) | (2.5) |
| Less: Operating expenses | 242,155 | 238,698 | 3,457 | 1.4 |
| Credit impairment losses | 125,739 | 148,808 | (23,069) | (15.5) |
| Impairment losses on other assets | 924 | 2,008 | (1,084) | (54.0) |
| Operating profit | 417,308 | 416,944 | 364 | 0.1 |
| Share of results of associates and joint ventures | 4,519 | 5,022 | (503) | (10.0) |
| Profit before taxation | 421,827 | 421,966 | (139) | (0.0) |
| Less: Income tax expense | 54,881 | 56,850 | 1,969 | (3.5) |
| Net profit | 366,946 | 365,116 | 1,830 | 0.5 |
| Attributable to: Equity holders of the parent company | 365,863 | 363,993 | 1,870 | 0.5 |
| Non-controlling interests | 1,083 | 1,123 | (40) | (3.6) |

## 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

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

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.

**ANALYSIS OF CHANGES IN INTEREST INCOME AND EXPENSE**

In RMB millions

| Item | Comparison between 2024 and 2023 | | |
|---|---|---|---|
| | Increase/(decrease) due to | | Net increase/ (decrease) |
| | Volume | Interest rate | |
| **Assets** | | | |
| Loans and advances to customers | 88,620 | (102,527) | (13,907) |
| Investment | 45,420 | (18,479) | 26,941 |
| Due from central banks | (933) | 1,292 | 359 |
| Due from banks and other financial institutions | 9,081 | 435 | 9,516 |
| **Changes in interest income** | **142,188** | **(119,279)** | **22,909** |
| **Liabilities** | | | |
| Deposits | 27,291 | (52,940) | (25,649) |
| Due to banks and other financial institutions | 49,440 | 3,653 | 53,093 |
| Debt securities and certificates of deposit issued | 18,955 | (5,882) | 13,073 |
| **Changes in interest expenses** | **95,686** | **(55,169)** | **40,517** |
| **Changes in net interest income** | **46,502** | **(64,110)** | **(17,608)** |

Note: Changes in volume are measured by the changes in average balances, while the changes in interest rate are measured by the changes in average interest rates. Changes resulted from the combination of volume and interest rate have been allocated to the changes resulted from business volume.

## 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 | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Average balance | Interest income | Average yield (%) | Average balance | Interest income | Average yield (%) |
| 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 |
| **Total loans and advances to customers** | **27,599,928** | **937,938** | **3.40** | **25,006,605** | **951,845** | **3.81** |

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

In RMB millions, except for percentages

| Item | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Average balance | Interest income | Average yield (%) | Average balance | Interest income | Average yield (%) |
| 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 |
| **Total loans and advances to customers** | **27,599,928** | **937,938** | **3.40** | **25,006,605** | **951,845** | **3.81** |

### *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

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Item | Average balance | Interest expense | Average cost (%) | Average balance | Interest expense | Average cost (%) |
| **Corporate deposits** | | | | | | |
| 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 |
| **Subtotal** | **14,598,561** | **241,976** | **1.66** | **14,732,229** | **272,713** | **1.85** |
| **Personal deposits** | | | | | | |
| 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 |
| **Subtotal** | **16,998,495** | **272,293** | **1.60** | **15,342,455** | **269,969** | **1.76** |
| **Overseas business** | **1,148,001** | **49,770** | **4.34** | **1,066,762** | **47,006** | **4.41** |
| **Total deposits** | **32,745,057** | **564,039** | **1.72** | **31,141,446** | **589,688** | **1.89** |

### *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) |
| **Fee and commission income** | **126,177** | **137,891** | **(11,714)** | **(8.5)** |
| **Less: Fee and commission expense** | **16,780** | **18,534** | **(1,754)** | **(9.5)** |
| **Net fee and commission income** | **109,397** | **119,357** | **(9,960)** | **(8.3)** |

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 |
| **Total** | **39,324** | **32,088** | **7,236** | **22.6** |

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

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

## 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%. Please refer to "Note 14. to the Consolidated Financial Statements: Credit Impairment Losses; Note 30. to the Consolidated Financial Statements: Impairment Allowance" for details.

## 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.

## Summary Geographical Segment Information

In RMB millions, except for percentages

| Item | 2024 Amount | 2024 Percentage (%) | 2023 Amount | 2023 Percentage (%) |
|---|---|---|---|---|
| **Operating income** | **786,126** | **100.0** | **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) |
| **Profit before taxation** | **421,827** | **100.0** | **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 | – | – | – | – |

Note: Please see "Note 49. to the Consolidated Financial Statements: Segment Information" for details.

## 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.

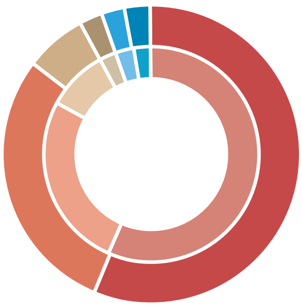
The Bank adhered to the integrated development strategy of investment and financing, supported the high-quality economic development by focusing on the modern layout, carried out a raft of incremental policies in a proactive manner to stabilize the country's economy, and allocated more resources to the "Five Priorities", "Major Strategies and Key Fields", "Renewal and Trade-in" and "Three Major Projects"[1], 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.

1 "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.

## 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



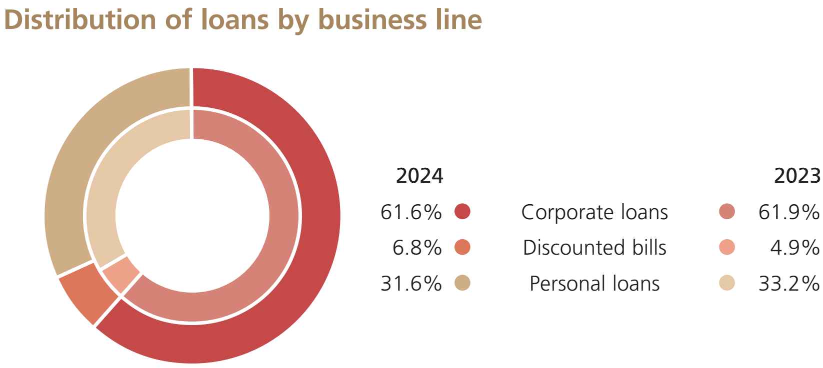

In RMB millions, except for percentages

| Item | At 31 December 2024 Amount | At 31 December 2024 Percentage (%) | At 31 December 2023 Amount | At 31 December 2023 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(1) | 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 |
| **Total assets** | **48,821,746** | **100.0** | **44,697,079** | **100.0** |

Note: (1) Please see "Note 23. to the Consolidated Financial Statements: Loans and Advances to Customers".

#### *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**

In RMB millions, except for percentages

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | 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 |
| **Total** | **28,372,229** | **100.0** | **26,086,482** | **100.0** |

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%.

Please see the section headed "Discussion and Analysis — Risk Management" for a detailed analysis of the Bank's loans and their quality.

### *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

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

#### DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS

In RMB millions, except for percentages

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

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

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| **Remaining maturity** | **Amount** | **Percentage (%)** | **Amount** | **Percentage (%)** |
| Undated(1) | 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 |
| **Total** | **13,644,922** | **100.0** | **11,357,727** | **100.0** |

Note: (1) Refers to overdue bonds.

### DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

In RMB millions, except for percentages

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | 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 |
| **Total** | **13,644,922** | **100.0** | **11,357,727** | **100.0** |

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

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | 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 |
| **Total** | **14,153,576** | **100.0** | **11,849,668** | **100.0** |

As at the end of 2024, the Group held RMB2,405,422 million of financial bonds[1], 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.

### TOP 10 FINANCIAL BONDS HELD BY THE BANK

In RMB millions, except for percentages

| Bond name | Nominal value | Annual interest rate (%) | Maturity date | Allowance for impairment losses(1) |
|---|---|---|---|---|
| Policy bank bonds 2024 | 30,527 | 1.85 | 24 July 2029 | – |
| Policy bank bonds 2015 | 22,439 | 4.21 | 13 April 2025 | – |
| Policy bank bonds 2024 | 21,480 | 1.80 | 23 July 2027 | – |
| Policy bank bonds 2020 | 19,571 | 3.23 | 23 March 2030 | – |
| Policy bank bonds 2024 | 19,550 | 1.80 | 2 September 2027 | – |
| Policy bank bonds 2022 | 19,521 | 2.77 | 24 October 2032 | – |
| Policy bank bonds 2020 | 18,804 | 2.96 | 17 April 2030 | – |
| Policy bank bonds 2022 | 18,287 | 2.90 | 19 August 2032 | – |
| Policy bank bonds 2019 | 17,482 | 3.45 | 20 September 2029 | – |
| Policy bank bonds 2024 | 17,260 | 1.66 | 4 September 2026 | – |

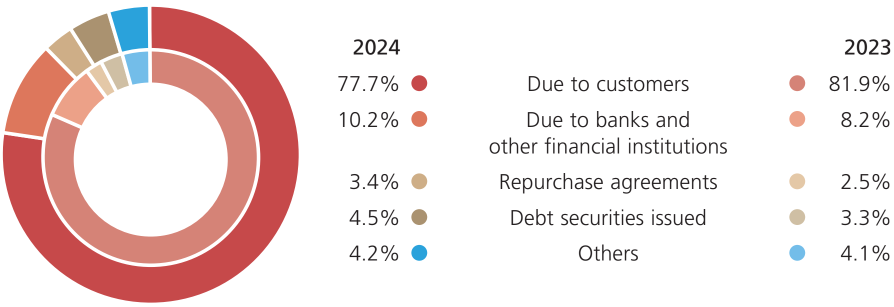
Note: (1) Excludes stage 1 allowance for impairment losses set aside in accordance with the expected credit loss model.

1 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.

## 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



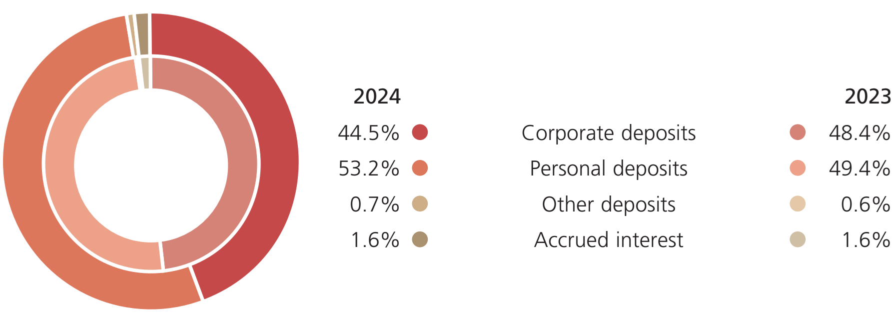

In RMB millions, except for percentages

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

***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

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

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

**DISTRIBUTION OF DUE TO CUSTOMERS BY GEOGRAPHIC AREA**

In RMB millions, except for percentages

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | 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 |
| **Total** | **34,836,973** | **100.0** | **33,521,174** | **100.0** |

### *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. Please refer to the "Consolidated Statement of Changes in Equity" for details.

## Off-balance Sheet Items

The off-balance sheet items of the Bank mainly include derivative financial instruments, contingencies and commitments. For details on the nominal amount and fair value of derivatives financial instruments, please refer to "Note 21. to the Consolidated Financial Statements: Derivative Financial Instruments". For details on contingencies and commitments, please refer to "Note 47. to the Consolidated Financial Statements: Commitments and Contingent Liabilities".

# Analysis on Statement of Cash Flows

Net cash inflows from operating activities amounted to RMB579,194 million, representing a decrease of RMB837,808 million as compared to last year, principally due to the decrease of net increase of due to customers. Specifically, cash outflows of operating assets decreased by RMB1,063,495 million; and cash inflows of operating liabilities decreased by RMB1,853,132 million.

Net cash outflows from investing activities amounted to RMB1,471,468 million. Specifically, cash inflows were RMB5,079,115 million, representing an increase of RMB1,254,570 million over last year, mainly due to the increased cash proceeds from the recovery of financial investments; and cash outflows were RMB6,550,583 million, representing an increase of RMB1,834,186 million, mainly due to the increase in cash payment for financial investments.

Net cash inflows from financing activities amounted to RMB415,683 million. Specifically, cash inflows were RMB2,143,460 million, representing an increase of RMB721,152 million over last year, mainly due to the increased cash proceeds from debt securities issued; and cash outflows were RMB1,727,777 million, representing an increase of RMB590,913 million, mainly due to the increased cash payment for repayment of debt securities.

# Changes of Major Accounting Policies

Please refer to "Note 3.(1) Application of amendments to IFRSs that are mandatorily effective for the current year" for changes of major accounting policies during the reporting period.

# Description of Significant Accounting Estimates

Please refer to "Note 5. Significant accounting judgements and estimates" for description of significant accounting estimates during the reporting period.

# 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.

# Business Overview

## 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.

**SUMMARY OPERATING SEGMENT INFORMATION**

In RMB millions, except for percentages

| Item | 2024 Amount | 2024 Percentage (%) | 2023 Amount | 2023 Percentage (%) |
|---|---|---|---|---|
| **Operating income** | **786,126** | **100.0** | **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 |
| **Profit before taxation** | **421,827** | **100.0** | **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 |

Note: Please see "Note 49. to the Consolidated Financial Statements: Segment Information" for details.

## 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.

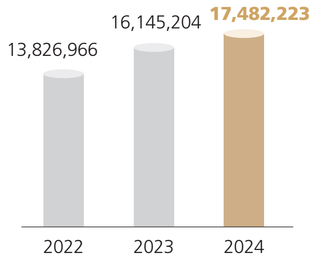
- In terms of green finance and energy security, the Bank adhered to the philosophy of green development, earnestly followed China's strategic guidance, supported the green and low-carbon transition of industries, contributed to the high-quality development of the Yangtze River Economic Belt, carried 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.

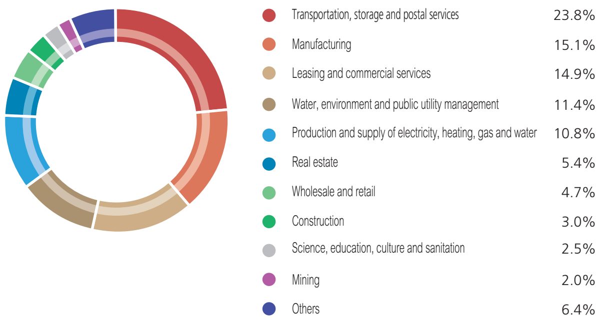
- The customer base was further consolidated. The Bank remained customer-centric, boosted the "systematic, professional, digital and ecological" level of corporate customer service, implemented the corporate customer retention system, and stepped up the effort to build a coordinated customer base composed 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%.

## Corporate loans

Unit: RMB millions




## Corporate loans of domestic branches by industry of loan customers




## 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.

## 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.

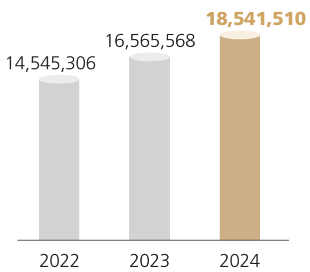
- The Bank strove for high-level security focused on maintaining a solid foundation by risk control. The new-generation AML due diligence system was preliminarily established, marking steady improvements in the ability to perform AML duties. The Bank continued to improve the risk control mechanism for 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.

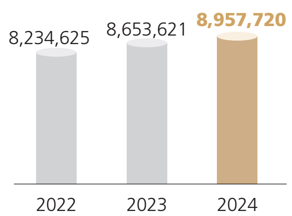
- The Bank deepened high-efficiency reform via intelligent data empowerment. The Bank improved the top-level design of digital customer management, and strove to develop an intelligent data empowerment process for personal customers featuring full-perspective perception, all-dimensional profile, full 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.

## 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*.

## 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.

## 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"[1] 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.

1 "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.

## 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.

## 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.

## 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.

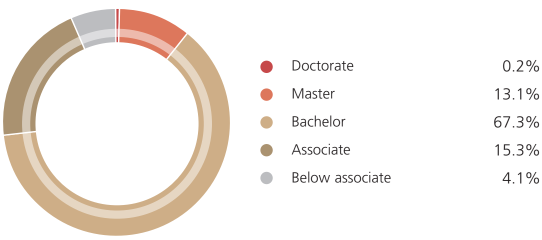
- The Bank's employee remuneration consisted of basic remuneration, performance-based remuneration and welfare income. In particular, the basic remuneration depended on an employee's value contribution and ability to perform duties, and the performance-based remuneration was based on the overall situation 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.

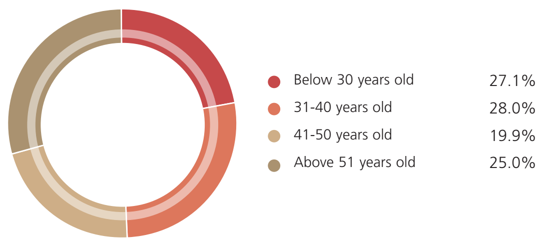
## Basic Information on Employees and Institutions

- 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.

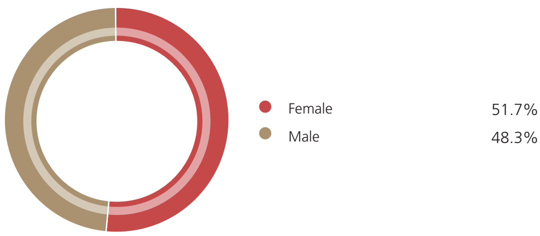
### Structure of employee educational background



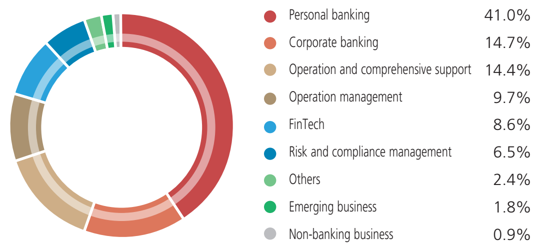

### Structure of employee age




### 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**

| Item | Assets (in RMB millions) | % of total assets | Number of institutions | % of total institutions | Number of employees | % of total employees |
|---|---|---|---|---|---|---|
| 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) | | | | |
| **Total** | **48,821,746** | **100.0** | **16,383** | **100.0** | **415,159** | **100.0** |

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

## 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**

| | Assets (in USD millions) | | Profit before taxation (in USD millions) | | Number of institutions | |
|---|---|---|---|---|---|---|
| Item | 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 | 206,670 | 201,941 | 1,126 | 551 | 96 | 95 |
| Asia-Pacific Region (except Hong Kong SAR and Macao SAR) | 144,381 | 136,959 | 1,700 | 1,522 | 88 | 90 |
| Europe | 87,152 | 87,215 | 771 | 786 | 70 | 74 |
| America | 40,157 | 41,367 | 349 | 386 | 153 | 153 |
| African Representative Office | – | – | – | – | 1 | 1 |
| Eliminations | (44,509) | (50,847) | | | | |
| **Subtotal** | **433,851** | **416,635** | **3,946** | **3,245** | **408** | **413** |
| Investment in Standard Bank[1] | 3,692 | 3,573 | 456 | 454 | | |
| **Total** | **437,543** | **420,208** | **4,402** | **3,699** | **408** | **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.

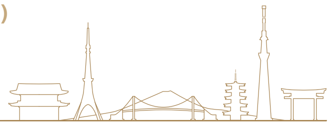
✧ As at the end of 2024, total assets of the Bank's overseas institutions (including overseas branches, overseas subsidiaries and investment in Standard Bank) were USD437,543 million, representing 6.5% of the Group's total assets. Specifically, total loans amounted to USD172,140 million, and due to customers 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

### Hong Kong SAR and Macao SAR
**Institutions (country/region)**

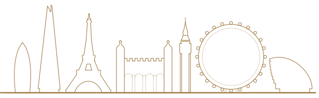
Hong Kong Branch (Hong Kong, China)
ICBC (Asia) (Hong Kong, China)
ICBC International (Hong Kong, China)
ICBC (Macau) (Macao, China)
Macau Branch (Macao, China)

### Asia-Pacific Region (except Hong Kong SAR and Macao SAR)
**Institutions (country/region)**



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

### Europe
**Institutions (country/region)**



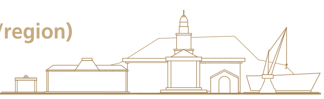
Frankfurt Branch (Germany)
Luxembourg Branch (Luxembourg)
ICBC (Europe) (Luxembourg)
- Paris Branch (France)
- Amsterdam Branch (the Netherlands)
- Brussels Branch (Belgium)
- Milan Branch (Italy)
- Madrid Branch (Spain)
- Warsaw Branch (Poland)
- Greece Representative Office (Greece)

ICBC (Macau) Lisbon Representative Office (Portugal)
ICBC (London) (UK)
London Branch (UK)
ICBC Standard Bank (UK)
Bank ICBC (JSC) (Russia)
ICBC Turkey (Türkiye)
Prague Branch (Czech Republic)
Zurich Branch (Switzerland)
ICBC (Austria) (Austria)

### America
**Institutions (country/region)**

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

### Africa
**Institutions (country/region)**



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

## 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"[1]. 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.

**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.

1 "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 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 |
| **Total** | | **1,201** | **1,607,477** | **637** | **290,730** | **764** | **353,553** | **1,068** | **1,961,351** | **100.0** |

**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(1) | 160,083 | 7.9 |
| **Total** | **2,024,868** | **100.0** |

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

## Major Controlled Subsidiaries and Equity Participating Company

### Major Overseas Subsidiaries

| | | At 31 December 2024 | | | 2024 |
|---|---|---|---|---|---|
| Institution | Principal business | 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 |
| 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

In RMB100 millions

| Institution | Principal business | At 31 December 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.

# Risk Management

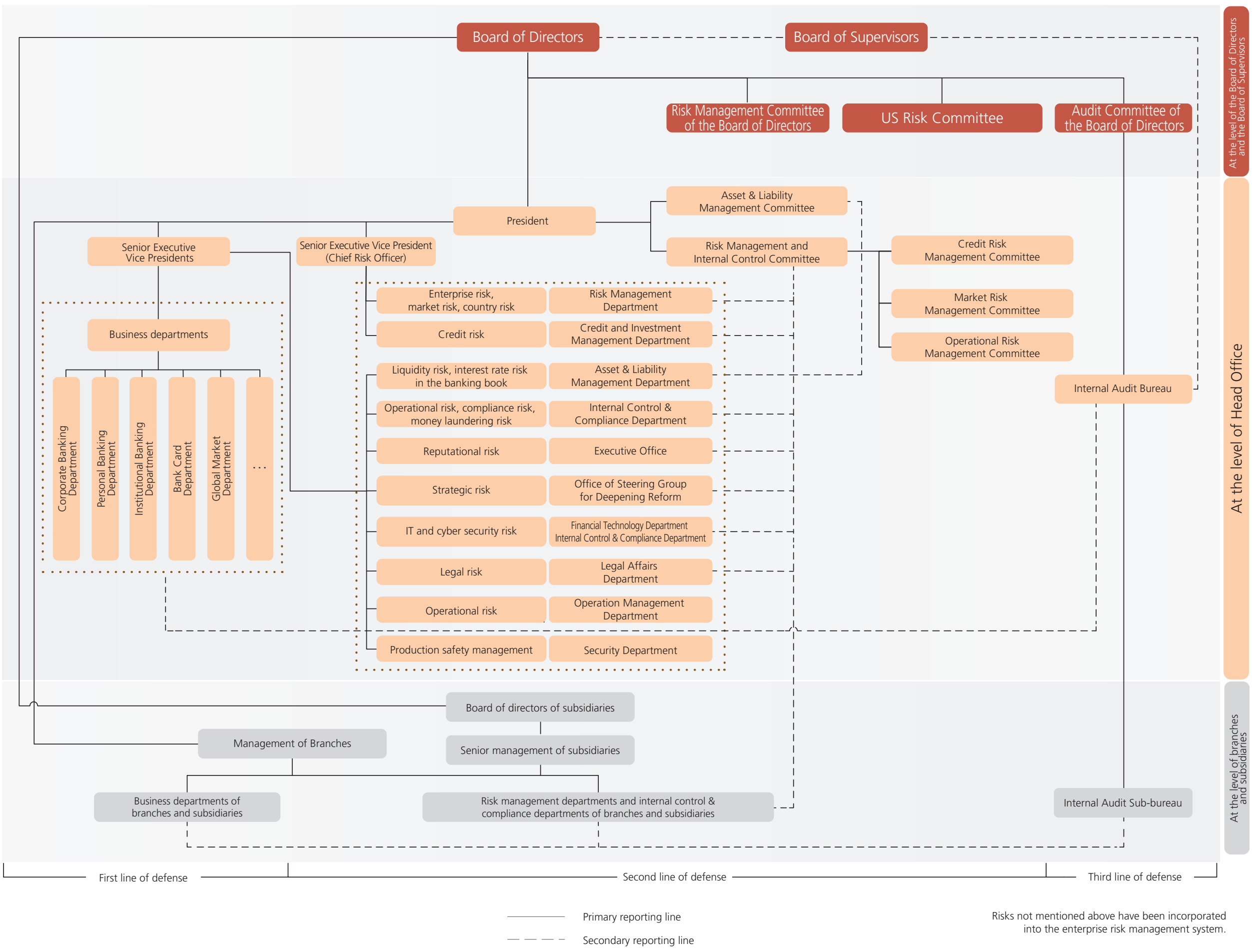


## Enterprise Risk Management System

Enterprise risk management is a process to effectively identify, assess, measure, monitor, control or mitigate and report risks in order to ensure the realization of the Group's operating and strategic objectives by setting up an effective and balanced risk governance structure, fostering robust and prudent risk culture, formulating unified risk management strategies and risk appetite, and implementing the risk limit and risk management policies. The principles of enterprise risk management of the Bank include full coverage, matching, independence, perspectiveness and effectiveness, etc.

In 2024, the Bank adhered to the four-pronged approach to people, money, defense lines, and bottom lines. Following the route of "active prevention, smart control and comprehensive management", the Bank further implemented the "Five-pronged Risk Management Approach", made coordinated efforts to consolidate the management of "9+X" risks, and continuously promoted the iterative upgrade of the Enterprise Risk Management System. The Bank worked to improve the working mechanisms of the Risk Management and Internal Control Committee, and risk officer, continuously stepped up efforts in building the three lines of defense, and further enhanced the overall risk control and management of the Group. The Bank strengthened the joint prevention and control of cross-border and cross-market risks, conducted potential risk inspections on an ongoing basis, improved the risk response plans and management measures, and prudently responded to global market fluctuations and external shocks. The Bank accelerated the intelligent transformation of risk control, put the main functions of the enterprise-level intelligent risk control platform into production, and continuously improved its capabilities in forward-looking risk warning and bottom line control. The Bank also stepped up risk control in emerging areas, improved the risk management mechanism for cooperation institutions in investment and financing business, actively explored and conducted climate risk management, and enhanced its capabilities to manage and respond to new risks.

The Bank's organizational structure of risk management comprises the Board of Directors and its special committees, the Board of Supervisors, the Senior Management and its special committees, the risk management departments, the internal audit departments, etc. The risk management organizational structure of the Bank is illustrated below:



## Credit Risk

### Credit Risk Management

Credit risk is the risk where loss is incurred to the banking business when the borrower or counterparty fails to meet its contractual obligations. The Bank's credit risks mainly originate from loans, treasury operations (including deposits with banks and other financial institutions, placements with banks and other financial institutions, reverse repurchase agreements, corporate bonds and financial bonds investment), receivables and off-balance sheet credit business (including guarantees, commitments and financial derivatives trading).

The Bank strictly adheres to regulatory requirements regarding credit risk management, diligently fulfills established strategies and objectives under the leadership of the Board of Directors and the Senior Management, and implements an independent, centralized and vertical credit risk management mode. The Board of Directors assumes the ultimate responsibility for the effectiveness of credit risk management. The Senior Management is responsible for executing the strategies, overall policy and system regarding credit risk management approved by the Board of Directors. The Credit Risk Management Committee of the Senior Management is the reviewing and decision-making organ of the Bank in respect of credit risk management, is responsible for reviewing material and important affairs of credit risk management, and performs its duty in accordance with the Charters of the Credit Risk Management Committee. The credit and investment management departments at different levels undertake the responsibility of coordinating credit risk management at respective levels, and the business departments implement credit risk management policies and standards for their respective business areas in accordance with their functions.

According to the regulatory requirement on loan risk classification, the Bank implemented five-category classification management in relation to loan quality and classified loans into five categories: pass, special mention, substandard, doubtful and loss, based on the possibility of collecting the principal and interest of loans. In order to implement sophisticated management of credit asset quality and improve risk management, the Bank implemented the twelve-category internal classification system for corporate loans. The Bank applied five-category classification management to personal credit assets and ascertained the category of the loans based on the number of months in default, expected loss ratio, credit rating, collateral and other quantitative and qualitative factors.

The Bank continued to strengthen the development of the credit risk management system. It operated the intelligent credit risk control system "Three Gates and Seven-color Pools" following high standards. Specifically, at the entrance end, the Bank continuously improved the credit risk business authorization management system, dynamically adjusted industry policies, refined regional policies, innovatively implemented industry chain policies, and improved the development of the credit approval system and mechanism; at the threshold end, the Bank strengthened risk monitoring in key areas, scenarios and products, and established a risk monitoring and early warning system across borders, markets and businesses; at the exit end, the Bank standardized the operation and management of risk assets in the entire process, implemented the risk asset revitalization plan, and upgraded the management mechanism for the securitization of non-performing assets.

The Bank accurately grasped the layout and direction of investment and financing business and stepped up the credit risk management of corporate credit business. It actively served major national strategies, pushed forward a package of national incremental policies, and guided the entire Bank to improve the credit structure. It actively supported such key areas as strategic emerging industries, high-tech, advanced manufacturing, energy conservation and environmental protection and upgraded the full-lifecycle service system for technology finance. The Bank deeply explored and cultivated the green credit market, increased investment and financing support for green industries such as green transportation, clean energy, energy conservation and environmental protection, and enhanced its capabilities to provide comprehensive green finance services. It stepped up financing support for small and micro customers and increased financial support in areas such as urban-rural integration, shoring up weak links in key county-level infrastructure, agriculture-related industry chains, and agricultural modernization, to promote the development of inclusive finance. It bolstered major projects under construction and projects making up for deficiencies in accordance with the "14th Five-Year Plan" and increased credit supply in key areas including transportation, water conservancy and new urbanization. The Bank implemented the macro-control policies for real estate, stepped up financial support for the "market-based + affordable" housing supply system, and moved faster to develop the new model for real estate development. It thoroughly implemented the strategy of coordinated regional development and worked to serve major priorities such as the coordinated development of the Beijing-Tianjin-Hebei region, development of the Guangdong-Hong Kong-Macao Greater Bay Area, integration of the Yangtze River Delta, rise of the central region, full revitalization of northeast China, and large-scale development of the western region. Focusing on industries with regional advantages and local features, the Bank continued to improve differentiated regional credit policies. Adhering to a prudent and steady strategy for the layout of overseas credit assets, it provided financial services to help high-quality Chinese-funded enterprises "Going Global" and "Bringing in" foreign-funded enterprises, in a bid to serve the Belt and Road Initiative and high-level opening up.

Focusing on key areas such as real estate, local debts and small and medium-sized financial institutions, the Bank made forward-looking analysis and took proactive measures to facilitate credit risk management. In terms of real estate, the Bank earnestly implemented macro-control policies and financial regulatory requirements and struck a sound balance between new supply of financing and the prevention and resolution of existing risks, to promote the positive circulation of finance and real estate. It adhered to the asset selection criteria that took into account regions, customers and projects to meet the reasonable financing needs of real estate projects and continuously improve the investment and financing structure. It also actively and prudently provided financial support to ensure the delivery of housing projects and protect the legitimate rights and interests of housing financial customers in accordance with laws. In terms of local debts, the Bank strictly observed national laws and regulations and regulatory policies, implemented a raft of debt resolution plans, provided financial support for debt resolution following a market-oriented, law-based approach, steadily cooperated with local governments to reduce the scale of debts, and prevented and resolved risks. In terms of small and medium-sized financial institutions, the Bank continuously strengthened the access and quota management of institutions, stepped up joint risk prevention and control, enhanced its digital risk control capability, and prevented risk contagion.

The Bank strengthened development of the Enterprise Risk Management System, advanced the disposal of non-performing assets, and controlled the asset quality of personal loans. It closely monitored changes in the real estate market, stepped up cooperation with high-quality large real estate development enterprises and leading real estate agency companies, and controlled credit risks of residential mortgages from the source. Regarding new types of risks such as multi-source financing, collateral cash-out and loan fraud, the Bank continuously advanced the development of the full-process risk model system for mortgage portfolio loans and enriched the risk identification strategy set before and during lending. It continuously stepped up the front-end eligibility review and approval management of retail customers, introduced the public service data, and enhanced cross-validation of data authenticity. It achieved automatic, normalized and dynamic management of credit card lines, established a regular post-lending inspection mechanism for special installments, and strengthened the early warning and verification of risk customers, cooperative institutions and distributors. The Bank also stepped up the full-cycle intelligent risk monitoring and management of personal loans, improved the integration of personal loan collection, and continued to advance the disposal of non-performing assets.

The Bank further promoted the digitalization of credit risk management. It upgraded the investment and financing operation platform following the "Five-pronged Risk Management Approach", implemented digital projects such as the duration management platform for large legal persons and the cross-border, cross-market risk transmission early warning system, and launched the Head Office-level unified real estate mortgage registration platform for legal person credit business. The Bank consolidated the smart empowerment foundry such as "Smart Loan Connect", upgraded the "Credit Prism" data service platform, and enhanced the digital growth driver for investment and financing management. It stepped up the scenario-based application of new technologies such as artificial intelligence and large model in risk monitoring and early warning, to enhance the smart risk control level. The "ICBC e Prevention" credit risk monitoring system was rated as "Best Credit Risk Technology Implementation in Asia-Pacific" by *The Asian Banker*.

## Credit Risk Analysis

At the end of 2024, the Bank's maximum exposure to credit risk, without taking into account any collateral and other credit enhancements, was RMB50,880,338 million, representing an increase of RMB4,276,082 million compared with the end of the previous year. Please refer to "Note 50.(a)(i) to the Consolidated Financial Statements: Maximum Exposure to Credit Risk Without Taking Into Account of Any Collateral and Other Credit Enhancements".

**DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION**

In RMB millions, except for percentages

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | 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 |
| **Total** | **28,372,229** | **100.00** | **26,086,482** | **100.00** |

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

| | At 31 December 2024 | | | | At 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| Item | 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 |
| **Total** | **28,372,229** | **100.0** | **379,458** | **1.34** | **26,086,482** | **100.0** | **353,502** | **1.36** |

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

| | At 31 December 2024 | | | | At 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| Item | 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 |
| **Total** | **16,204,933** | **100.0** | **243,841** | **1.50** | **14,862,466** | **100.0** | **262,773** | **1.77** |

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 |
| **Total** | **28,372,229** | **100.0** | **379,458** | **1.34** | **26,086,482** | **100.0** | **353,502** | **1.36** |

### 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) |
| **Balance at 31 December 2024** | **354,083** | **156,502** | **304,487** | **815,072** | **353** | **51** | **21** | **425** |

Note: Please see "Note 23. to the Consolidated Financial Statements: Loans and Advances to Customers" for details.

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 Amount | At 31 December 2024 Percentage (%) | At 31 December 2023 Amount | At 31 December 2023 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 |
| **Total** | **28,372,229** | **100.0** | **26,086,482** | **100.0** |

**OVERDUE LOANS**

In RMB millions, except for percentages

| Overdue periods | At 31 December 2024 Amount | At 31 December 2024 % of total loans | At 31 December 2023 Amount | At 31 December 2023 % 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 |
| **Total** | **406,739** | **1.43** | **330,424** | **1.27** |

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 December 2024 | At 31 December 2023 | At 31 December 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.

## Large Exposures Management

In accordance with relevant regulatory rules, the Bank strictly carried out various work on large exposures management in an orderly manner, and further improved the large exposures management system, including the construction of large exposure management systems, to strengthen large exposures limit management, and to continuously improve large exposures management.

### 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 December 2024 | At 31 December 2023 | At 31 December 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 |

The table below shows the details of the loans granted to the top ten single borrowers of the Bank as at the end of 2024.

In RMB millions, except for percentages

| Borrower | Industry | Amount | % of total loans |
|---|---|---|---|
| Borrower A | Transportation, storage and postal services | 221,765 | 0.8 |
| Borrower B | Finance | 184,888 | 0.7 |
| Borrower C | Production and supply of electricity, heating, gas and water | 184,000 | 0.7 |
| Borrower D | Transportation, storage and postal services | 86,828 | 0.3 |
| Borrower E | Finance | 82,342 | 0.3 |
| Borrower F | Finance | 66,600 | 0.2 |
| Borrower G | Transportation, storage and postal services | 64,845 | 0.2 |
| Borrower H | Production and supply of electricity, heating, gas and water | 64,100 | 0.2 |
| Borrower I | Production and supply of electricity, heating, gas and water | 61,664 | 0.2 |
| Borrower J | Transportation, storage and postal services | 59,091 | 0.2 |
| **Total** | | **1,076,123** | **3.8** |

For credit risk capital measurement, please refer to the 2024 Pillar 3 Disclosure Report of Capital Management of Industrial and Commercial Bank of China Limited.

## Market Risk

Market risk is defined as the risk of loss to a bank's on- and off-balance sheet activities caused by adverse movements in market rates (including interest rates, exchange rates, stock prices and commodity prices). The Bank is primarily exposed to such market risk as interest rate risk, currency risk and commodity risk (mainly gold). Market risk management is the process of identifying, measuring, monitoring, controlling and reporting market risk. The objective of market risk management is to control market risk exposures within a tolerable level and maximize risk-adjusted return according to the Bank's risk appetite.

The Bank strictly complies with regulatory requirements on market risk management, has implemented an independent, centralized and coordinated market risk management model, and formed a management organizational structure featuring the segregation of the front, the middle and the back offices in the financial market business. The Board of Directors assumes the ultimate responsibility for overseeing market risk management. The Senior Management is responsible for ensuring effective monitoring of the market risk management system. The Market Risk Management Committee, under the Senior Management, performs the review and decision-making functions related to market risk management, handling major market risk-related matters. The front-office business departments serve as the first line of defense, bearing direct responsibility for market risk management. The risk management and internal control & compliance departments constitute the second line of defense, independently monitoring, assessing, and reporting market risk exposures. The internal audit department functions as the third line of defense, conducting independent and objective audits, evaluations, and reports on the effectiveness of market risk management. These three lines of defense work together efficiently to proactively prevent and mitigate market risk.

In 2024, the Bank continued to deepen the Group's market risk management. In line with the Capital Rules and the latest management practices, it continuously improved the market risk management system, adopted the standard approach for market risk capital measurement, and steadily advanced the development of the internal model approach. The Bank effectively disseminated the Group's risk appetite, applied the measurement results of the New Capital Rules, and continuously enhanced the market risk limit management system. It also deepened the application of the market risk management system, established and improved the model library and management mechanism, and continuously ameliorated its intelligent market risk control capabilities.

## Management of Market Risk in the Trading Book

The Bank kept strengthening trading book market risk management and product control, and adopted the value-at-risk (VaR), stress testing, sensitivity analysis, exposure analysis, profit/loss analysis, price monitoring and other means to measure and manage trading book products.

For VaR of the trading book, please refer to "Note 50.(c)(i) to the Consolidated Financial Statements: VaR".

## Currency Risk Management

Currency risk is the risk of adverse movements of exchange rate resulting in losses to the bank on the foreign currency exposure, which is due to the currency structure's mismatch between foreign currency assets and liabilities. The Bank's objective of currency risk management is to control the impact of exchange rate fluctuations on the Bank's financial position and shareholders' equity within a tolerable extent. The Bank manages such risk principally by the limit management and hedging of risks. The Bank carries out sensitivity analysis and stress testing of currency risk on a quarterly basis, and the Senior Management and the Market Risk Management Committee review the currency risk reports on a quarterly basis.

In 2024, the Bank actively responded to changes in the operating environment and market fluctuations. By adhering to the currency risk neutrality principle, it proactively adjusted the scale and currency structure of foreign exchange exposure through currency exchange, hedging and other measures, improved the matching degree of the Group's foreign exchange asset and liability currencies, and stepped up the value preservation management of capital funds, to maintain the currency risk of the Group within a reasonable range.

**FOREIGN EXCHANGE EXPOSURE**

In RMB (USD) millions

| | At 31 December 2024 | | At 31 December 2023 | |
|---|---|---|---|---|
| Item | RMB | USD equivalent | RMB | USD equivalent |
| Exposure of on-balance sheet foreign exchange items, net | 703,934 | 96,438 | 453,471 | 63,797 |
| Exposure of off-balance sheet foreign exchange items, net | (510,365) | (69,919) | (310,686) | (43,709) |
| **Total foreign exchange exposure, net** | **193,569** | **26,519** | **142,785** | **20,088** |

Please refer to "Note 50.(c)(ii) to the Consolidated Financial Statements: Currency Risk" for the exchange rate sensitivity analysis.

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 market risk capital measurement.

## Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is defined as the risk of loss in the economic value and overall profit of the banking book arising from adverse movements in the interest rate and maturity structure, etc.

### Management of Interest Rate Risk in the Banking Book

The Bank's management system for interest rate risk in the banking book conforms to the system importance, risk status and business complexity, and fits the Bank's overall development strategy and the Enterprise Risk Management System. The system mainly consists of the following elements: a sound risk system; an effective risk governance structure; sound risk management strategies, policies and procedures; effective risk identification, measurement, monitoring, control and mitigation that cover all areas; a complete internal control and review mechanism; a fully-built risk management system; and adequate information disclosure and reporting. The Bank strictly complied with regulatory requirements for interest rate risk in the banking book, effectively managed interest rate risk in the banking book at the Bank and consolidated level, and developed a sound governance structure for interest rate risk management in the banking book that is fully built and well-structured, with clearly defined rights and responsibilities. The Board of Directors and the Senior Management are vested with the ultimate and executive responsibilities, respectively, for managing interest rate risk in the banking book. The Asset & Liability Management Department of the Head Office takes the leading role in managing interest rate risk in the banking book, and other departments and institutions play their roles in implementing policies and standards concerning interest rate risk in the banking book. The Internal Audit Bureau and the Internal Control & Compliance Department of the Head Office are responsible for reviewing and evaluating duties in respect of interest rate risk in the banking book.

The objective of management of interest rate risk in the banking book: The Bank aims at maximizing the risk-adjusted net interest income within the tolerable level of interest rate risk under its risk management and risk appetite. The Bank formulated strategies and clarified objectives and modes for managing interest rate risk in the banking book based on risk appetite, risk status, macroeconomic and market changes. Based on the predict of the interest rate trend and measurement results of the changes in overall profit and economic value, the Bank formulated and put into practice relevant management policies, and adopted a coordinated approach to using interest rate risk control tools to mitigate and manage risks, so as to ensure the Bank's actual interest rate risks conform to its bearing capability and willingness. On the basis of management strategies and objectives, the Bank developed policies and made clear the modes and instruments for managing interest rate risk in the banking book. By developing and modifying such methods as on-balance sheet adjustment and off-balance sheet hedging to manage interest rate risk, adeptly using quantity, pricing and derivative instruments regarding assets and liabilities, and applying the limit management system, business plan, performance assessment and capital evaluation in all areas for interest rate risk management and assessment, the Bank achieved effective control of interest rate risk at the business lines, the branches, the affiliates and the products and portfolios prone to be affected by interest rate risk.

In line with the principles of comprehensiveness, prudence and foresight, the Bank's stress testing on interest rate risk in the banking book adopted the interest rate risk exposure measurement approach and standardized duration approach to measure the effect of interest rate exposure changes under different stress scenarios on the overall profit and economic value. Based on the domestic and overseas regulatory requirements, the bank-wide asset and liability business structure, operation and management as well as risk appetite, the Bank set stress testing scenarios for interest rate risk in the banking book by taking into account the current interest rate level, historical changes and trends, total assets and liabilities and their durations, business development strategies, customer behaviors and other factors, and conducted stress testing quarterly.

In 2024, adhering to a steady and prudent interest rate risk appetite, the Bank continued to improve the structure of assets and liabilities, made the interest rate exposure and duration structure more compatible with the domestic and foreign interest rate trends, and balanced the Group's interest income and expense and value changes. It also comprehensively applied the new development philosophy and kept improving the digital management of interest rate risks, to consolidate the high-quality operating results from balanced, coordinated and sustainable current earnings and long-term value.

## Analysis on Interest Rate Risk in the Banking Book

### *Interest Rate Sensitivity Analysis*

Supposing that there is parallel shift of overall market interest rates, and taking no account of possible risk management actions taken by the Management to mitigate the interest rate risk, the analysis on interest rate sensitivity of the Bank by major currencies at the end of 2024 is shown in the following table:

In RMB millions

| | +100 basis points in interest rate | | – 100 basis points in interest rate | |
|---|---|---|---|---|
| Currency | Effect on net interest income | Effect on equity | Effect on net interest income | Effect on equity |
| 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 |
| **Total** | **(24,221)** | **(114,613)** | **24,221** | **134,282** |

Note: Please refer to "Note 50.(d) to the Consolidated Financial Statements: Interest Rate Risk in the Banking Book".

### *Interest Rate Exposure Analysis*

As at the end of 2024, the Bank had a positive cumulative interest rate sensitivity exposure within one year of RMB2,226,763 million, representing a decrease of RMB1,127,184 million from the end of the previous year, mainly because of the increase in repriced or matured due to customers within one year. The Bank had a positive cumulative interest rate sensitivity exposure above one year of RMB1,622,716 million, representing an increase of RMB1,340,308 million, mainly resulted from the increase in repriced or matured bond investments above one year.

**INTEREST RATE RISK EXPOSURE**

In RMB millions

| | Less than 3 months | 3 months to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|---|
| At 31 December 2024 | (6,245,678) | 8,472,441 | (3,405,999) | 5,028,715 |
| At 31 December 2023 | (5,622,895) | 8,976,842 | (4,169,555) | 4,451,963 |

Note: Please refer to "Note 50.(d) to the Consolidated Financial Statements: Interest Rate Risk in the Banking Book".

## Liquidity Risk

Liquidity risk is the risk where the Bank is unable to raise funds on a timely basis at a reasonable cost to settle liabilities as they fall due, or perform other payment obligations and satisfy other funding demands arising from the normal operation of business. Liquidity risk may arise from the following events or factors: material adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, mismatch between assets and liabilities, difficulties in assets monetization, operating losses and risk associated with its affiliates.

## Liquidity Risk Management

The Bank's liquidity risk management system conforms to its overall development strategy and overall risk management system, and is commensurate with the business scale, business nature, complexity and other aspects of the Bank. The system includes the following fundamental elements: effective governance structure for liquidity risk management; sound strategy, policy and procedures for liquidity risk management; effective identification, measurement, monitoring and control for liquidity risk and a complete management information system. In respect of liquidity risk management, the Bank's governance structure embodies the decision-making system comprising the Board of Directors and its special committees, the Asset and Liability Management Committee, and the Risk Management and Internal Control Committee of the Senior Management; the supervision system comprising the Board of Supervisors, the Internal Audit Bureau and the Internal Control and Compliance Department of the Head Office; and the execution system comprising the Asset and Liability Management Department, leading management departments of on- and off-balance sheet businesses, the information technology departments, operation management departments of the Head Office and relevant departments of branches. Each of these systems performs the corresponding functions of decision making, supervision and execution according to division of responsibilities.

Objective of liquidity risk management: By establishing and improving the liquidity risk management system, the Bank aims at realizing effective identification, measurement, monitoring and control of the liquidity risk at the Group level, the Bank, the affiliates, the branches and the business lines, and ensuring the liquidity demand is satisfied at a reasonable cost in time under the normal business scenario and the stressed scenario. The Bank's liquidity risk management strategy and policy are formulated in accordance with the liquidity risk appetite, and they cover all businesses on- and off-balance sheet, all domestic and overseas business departments, branches and affiliates that are likely to have a material impact on the liquidity risk, and contain the liquidity risk management under normal and stressed scenarios. The liquidity risk management strategy specifies the overall objective and mode of liquidity risk management and lists major policies and procedures. The policies for liquidity risk management are formulated in accordance with external and macro operating environments and business development of the Bank, with a view to striking an effective balance among security, liquidity and profitability. The Bank conducts stress testing quarterly or by subject by fully considering various macro and micro factors that may affect the liquidity of the Bank, changes in the external operating environment, regulatory requirements, and business characteristics and complexity of the Bank.

In 2024, the Bank adhered to a steady and prudent liquidity management strategy, intensified the monitoring of funds and maintained a proper and sufficient liquidity reserve, and the Group's liquidity was stable. The Bank facilitated the ongoing upgrading of the liquidity risk management mechanism and system, and continuously enhanced the automation and intelligence level of liquidity risk monitoring, measurement and control. The Bank strengthened on- and off-balance sheet liquidity risk management in local and foreign currencies in domestic and overseas institutions, optimized the multi-level and multi-dimensional liquidity monitoring and early warning system, and enhanced the Group's liquidity risk prevention and emergency response capabilities.

## Liquidity Risk Analysis

The Bank assesses liquidity risk status by comprehensive use of a variety of methods and tools such as liquidity indicator analysis and liquidity exposure analysis.

At the end of 2024, RMB liquidity ratio and foreign currency liquidity ratio of the Bank were 58.4% and 110.0% respectively, both meeting the regulatory requirements. Loan-to-deposit ratio was 80.5%.

| Item | | Regulatory criteria | At 31 December 2024 | At 31 December 2023 | At 31 December 2022 |
|---|---|---|---|---|---|
| Liquidity ratio (%) | RMB | >=25.0 | 58.4 | 54.5 | 42.3 |
| | Foreign currency | >=25.0 | 110.0 | 88.8 | 106.1 |
| Loan-to-deposit ratio (%) | RMB and foreign currency | | 80.5 | 76.7 | 76.7 |

Net stable funding ratio aims to ensure commercial banks have sufficient stable sources of funding to meet the needs for stable funding of assets and off-balance sheet risk exposures. The net stable funding ratio is the ratio of the available stable funding to the required stable funding. As at the end of the fourth quarter of 2024, the net stable funding ratio was 128.16%, 1.50 percentage points lower than that at the end of the previous quarter, mainly due to the increase in required stable funding.

The daily average liquidity coverage ratio for the fourth quarter of 2024 was 140.25%, 2.05 percentage points higher than the previous quarter, mainly attributable to the decrease in net cash outflows in future 30 days. High-quality liquid assets cover cash, available central bank reserve under stress and primary and secondary bond assets that can be included in the liquidity coverage ratio under the regulatory requirements.

For the quantitative information for the net stable funding ratio and liquidity coverage ratio based on the Capital Rules, please refer to the 2024 Pillar 3 Disclosure Report of Capital Management of Industrial and Commercial Bank of China Limited issued by the Bank.

At the end of 2024, the positive liquidity exposure for less than 1 month decreased, mainly due to the increase of matured due to banks and other financial institutions and placements from banks and other financial institutions within corresponding term. The negative liquidity exposure for 1 to 3 months and 3 months to 1 year expanded, mainly due to the increase in matured due to customers within corresponding term. The positive liquidity exposure for 1 to 5 years increased, mainly due to the increase of matured bond investments within corresponding term. The positive liquidity exposure for over 5 years expanded, which was mainly due to the increase in matured loans and advances to customers and bond investments within corresponding term. In 2024, the Bank maintained stable and abundant funds, balanced and steady growth in assets and liabilities, reasonable and appropriate cash flows of various maturities, and safe and steady liquidity operation.

**LIQUIDITY EXPOSURE ANALYSIS**

In RMB millions

| | Overdue/ repayable on demand | Less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | Over 5 years | Undated | Total |
|---|---|---|---|---|---|---|---|---|
| At 31 December 2024 | (15,207,017) | 75,047 | (1,376,512) | (2,257,940) | 964,184 | 18,346,104 | 3,443,400 | 3,987,266 |
| At 31 December 2023 | (14,661,992) | 517,820 | (1,065,013) | (1,961,803) | 299,076 | 17,033,573 | 3,614,927 | 3,776,588 |

Note: Please refer to "Note 50.(b) to the Consolidated Financial Statements: Liquidity Risk".

## Operational Risk

### Operational Risk Management

Operational risk is defined as the possibility of loss resulting from problems in internal processes, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risk. There are seven major types of operational risks faced by the Bank, including internal fraud, external fraud, employment system and workplace safety, customers, products and business activities, damage to physical assets, IT system, execution and delivery and process management. Among these, customers, products and business activities, and external fraud constitute major sources of operational risk losses of the Bank during the reporting period.

The Bank strictly complies with regulatory requirements on operational risk management. The Board of Directors, the Board of Supervisors, the Senior Management and its Operational Risk Management Committee are respectively responsible for decision-making, supervision and execution with respect to operational risk management, and relevant departments act as the "three lines of defense" for operational risk management pursuant to their management functions, thus forming an operational risk management system with close connection and mutual checks and balances. Institutions and departments function as the first line of defense, assume the direct responsibility for respective operational risk management. The Internal Control & Compliance Departments, classified management departments such as Legal Affairs, Security, Financial Technology, Data Management, Finance & Accounting, Operation Management and Human Resources, cross-risk management departments including Credit and Investment Management and Risk Management, as well as operational risk capital measurement departments such as Risk Management and Asset and Liability Management jointly perform the functions as the second line of defense, which are respectively responsible for the lead management of operational risk, the classified management of certain type of operational risk, the management of operational risk across credit and market risks, operational risk capital measurement, and guiding and supervising the operational risk management efforts of the first line of defense. The Internal Audit Department performs the functions as the third line of defense and assumes the responsibility for supervision, and is responsible for supervising the effectiveness of operational risk management.

In 2024, the Bank earnestly implemented new regulatory provisions on the measurement and management of operational risk. In line with the operational risk trends and regulatory focuses, the Bank revised and refined the basic policy on operational risk management, and improved the standards and processes for collecting operational risk loss data. It continuously consolidated the quality of operational risk loss data, upgraded the operational risk management system, and enhanced operational risk control. The Bank implemented new regulatory provisions on case prevention, improved the long-term case prevention mechanism, and constantly deepened case risk governance in key fields. Moreover, it deeply carried out case warning and education, strengthened the grid-based intelligent control mechanism for abnormal employee behavior, and consolidated and examined the primary responsibility for management and control. During the reporting period, the operational risk control system of the Bank operated smoothly, and the operational risk was controllable on the whole.

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 operational risk capital measurement.

## Legal Risk

Legal risk is the risk of incurring legal sanctions, regulatory penalties, financial losses, reputational losses or other negative consequences that arises out of or in connection with the failure of a bank to comply with relevant laws, regulations, administrative rules, regulatory provisions or requirements of other relevant rules during the bank's operation; the unfavorable legal defects that exist in products, services or information provided to clients, transactions engaged in, and contracts, agreements or other documents executed by the bank; legal disputes (litigation or arbitration proceedings) between the bank and its clients, counterparties and stakeholders; important changes in relevant laws and regulations, administrative rules, regulatory provisions and other relevant rules; and other relevant legal events that occur internally and externally.

Based on the objective to ensure legal and compliant operation, the Bank always attaches great importance to establishing a sound legal risk management system, forming a full-process legal risk prevention and control mechanism to support and secure business innovation and market competition, and to prevent and eliminate various potential or practical legal risks. The Board of Directors is responsible for reviewing and determining the strategy and policy relating to legal risk management, and assumes the ultimate responsibility of legal risk management. The Senior Management is responsible for executing the strategy and policy relating to legal risk management, examining and approving relevant important affairs. The Legal Affairs Department of the Head Office is in charge of legal risk management across the Group, with relevant business departments providing related support and assistance on legal risk prevention and control. The affiliates, domestic and overseas branches undertake the responsibility of legal risk management of their respective institutions.

In 2024, the Bank continued to strengthen legal risk management, by improving the risk prevention and control capacity in legal risk management, ensuring the legal and compliant operation, healthy business development and overall business stability of the Group. In accordance with new laws and regulations, its business rules, relevant agreements and system construction were improved, and legal risk prevention and control in key areas and links was further pushed forward in line with new requirements of financial regulators. The Bank also conducted ongoing monitoring of legal risks and improved both the vertical interconnection and horizontal coordination mechanism between the Head Office and branches. By systematically embedding legal risk prevention and control into business negotiations, product design, contract signing and other links, the Bank made risk prevention and control more prospective, proactive and targeted. It improved the cross-border coordination and management for legal work, strengthened the legal risk management of overseas institutions, and enhanced the training of legal talents for overseas business, thus properly responding to cross-border legal issues emerging in the development of international operations. Moreover, the Bank ameliorated the function design and management mechanism for the electronic signing system, to further enhance its risk control capability and usability, and effectively prevent and control operational risk, legal risk and reputational risk caused by misuse of contract seal. It continuously reinforced authorization management, related party management, and trademark management, and made efforts to constantly institutionalize risk management and control, and refine the structure of the system. The Bank devoted great energy to strongly dealing with lawsuit cases to protect the Bank's rights and interests in accordance with laws and avoid and reduce risk losses. In addition to the active assistance in online judicial inquiry and enforcement, the Bank played a positive role in improving the efficiency of law enforcement and case handling by competent authorities and building a social credibility system. The Bank innovatively released an intelligent sharing platform for legal service, and centralized bank-wide legal service resources to provide services and tools for primary-level and front office business, so as to improve the availability of legal services for primary-level and front office business. The Bank widely carried out legal training and education activities to enhance the awareness of legality and compliance among the Group's employees.

## Money Laundering Risk

Money laundering risk refers to the possibility that the products and services provided by a bank in the course of business operation and management are used for money laundering, terrorist financing, proliferation financing and other upstream criminal activities of money laundering, thereby causing the bank to suffer losses. Any money laundering risk event or case may bring serious reputational risk and legal risk, and lead to customer loss, business loss and financial loss.

In strict compliance with anti-money laundering ("AML") laws and regulations of China and host countries (regions) of overseas institutions, the Bank sincerely fulfilled the legal obligations and social responsibilities concerning AML. Taking a risk-based approach, the Bank focused on Joint Management and Control. To constantly improve the effectiveness of AML work, it advanced the coordinated duty performance of the three lines of defense for AML and AML training and team building. It refined the working mechanism for customer due diligence and strengthened money laundering risk assessment and control. The Bank made the AML system more digital and smarter and strengthened the monitoring and management system for suspicious transactions. It also advanced the establishment of the long-term overseas AML mechanism and improved the quality and efficiency of the Group's money laundering risk management.

## Reputational Risk

Reputational risk is defined as the risk of negative comments on a bank from stakeholders, the public or the media as a result of the behaviors of the bank or practitioners or external events and so on, thereby damaging brand value, detrimental to normal operation, and even affecting market and social stability. Reputational risk may arise in any part of the Bank's operation and management, and usually co-exists and correlates with credit risk, market risk, operational risk and liquidity risk. Good reputation is central to the operation and management of a commercial bank. The Bank highly values its reputation and has incorporated reputational risk management in the corporate governance and Enterprise Risk Management System to prevent reputational risk.

The Board of Directors is responsible for reviewing and finalizing bank-wide policies concerning reputational risk management that are in line with the strategic objective of the Bank, establishing a bank-wide system of reputational risk management, monitoring the overall status and effectiveness of reputational risk management across the Bank and assuming the ultimate responsibility for reputational risk management. The Senior Management is responsible for leading reputational risk management of the Bank, implementing the strategies and policies established by the Board of Directors, reviewing and finalizing the rules, measures and operating procedures for reputational risk management, preparing plans for responding to and coping with extraordinarily major reputational risk events and ensuring the proper and effective operation of the reputational risk management system. The Bank has established a special reputational risk management team to take charge of the daily management of reputational risk.

In 2024, the Bank deepened the implementation of the Group's reputational risk management rules and requirements, and continuously improved the group-wide and whole-process reputational risk management system and working mechanism, to improve the quality and efficiency of reputational risk management. It strengthened the normalization of reputational risk management, deepened risk prevention and control from the source, and constantly improved its capabilities to respond to reputational risk. It also organized and promoted influential brand communication activities, to enhance the Bank's brand image. The Bank led the market in terms of brand value and network influence. During the reporting period, the reputational risk of the Bank stood in a stable and controllable range.

## Country Risk

Country risk is the risk incurred to a bank arising from the inability or refusal by the debtor to repay bank debt, losses suffered by the bank or its commercial presence in such country or region and other losses due to political, economic and social changes and events in a country or a region. Country risk may be triggered by the deterioration of economic conditions, political and social turmoil, asset nationalization or expropriation, government's refusal to pay external debt, foreign exchange control or currency depreciation in a country or a region.

The Bank strictly observes regulatory requirements on country risk management. The Board of Directors assumes the ultimate responsibility for the effectiveness of country risk management. The Senior Management is responsible for executing the country risk management policies approved by the Board of Directors. The Risk Management and Internal Control Committee of the Senior Management is responsible for reviewing matters regarding country risk management. The Bank manages and controls country risk with a series of tools, including country risk assessment and rating, country risk limit, country risk exposure monitoring and stress testing. The Bank reviews the country risk rating and limits at least once every year.

In 2024, facing the increasingly complicated and severe external environment, the Bank strictly abode by regulatory requirements and, with consideration of its business development needs, continued to strengthen country risk management. It implemented the latest regulatory requirements and revised relevant rules and measures based on management practices. The Bank closely observed changes in country risk exposures, constantly tracked, monitored and reported country risk, and timely updated and adjusted the country risk rating and limits. It continued to strengthen early warning mechanism for country risk, proactively conducted stress testing on country risk and effectively controlled country risk while steadily promoting internationalization.

## Information Technology and Cyber Security Risk

Information technology and cyber security risk refers to the operational, legal or reputational risk incurred in various IT activities by natural factors, human factors, technical vulnerabilities and managerial deficiencies, mainly involving areas such as technology governance, cyber and information security, innovative research and development, production and operation, business continuity, and technology outsourcing. The Bank incorporated information technology and cyber security risk into its Enterprise Risk Management System, and established and continuously refined the long-term mechanism of joint prevention and control for the three lines of defense.

In 2024, the Bank coordinated development and security, and regarded the prevention and control of information technology and cyber security risk as an important part of FinTech work. It revised and released management rules on information technology and cyber security, and strengthened the Group's penetrating management. It upgraded the defense-in-depth system for the Group's integrated intranet and established a special team mechanism to advance the Group's cyber security defense capability in a coordinated way. The Bank strengthened support for information system production and operation. While consolidating the foundation for production and operation safety, it carried out transformation of operation and maintenance in core areas of production, operation and maintenance. During the reporting period, the Bank's overall risks in this area stood in a controllable range.

# Capital Management

The Bank implements a group-based capital management mechanism, and takes capital as the object and an instrument for its management activities, including planning, measurement, allocation, application and operation. The Bank's capital management aims at maintaining an appropriate capital adequacy ratio and continuously meeting capital supervisory regulations and policies; ceaselessly strengthening and enhancing the capital base and supporting business growth and implementation of strategic planning; establishing a value management system focusing on Economic Value-added (EVA), reinforcing capital constraint and incentive mechanism and improving capital allocation efficiency; innovating and expanding capital replenishment channels, raising capital quality and optimizing capital structure. The Bank's capital management covers various operating entities in the Group, and its contents include capital adequacy ratio management, economic capital management, capital investment and financing management.

In 2024, the Bank continuously improved scientific capital raising, efficient allocation, precise measurement, long-term constraint and normal optimization management mechanism, and continued to elevate the capital use efficiency. It appropriately conducted capital replenishment, optimized the capital structure and reduced the cost of capital, thus laying a solid capital foundation to serve the real economy. The Bank actively responded to the implementation of the New Capital Rules to realize the smooth switching of regulatory rules and the smooth operation of the capital adequacy ratio. The Bank carried forward the Total Loss-Absorbing Capacity ("TLAC") compliance work in an orderly manner and successfully issued the first TLAC non-capital bond. During the reporting period, all capital indicators performed well, of which the capital adequacy ratio was kept at a sound and appropriate level.

## 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 Capital Rules. 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 Capital Rules stood at 14.10%, 15.36%, 19.39% and 7.75%, respectively, complying with regulatory requirements[1].

1 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 |
|---|---|
| **Common equity tier 1 capital** | **3,648,963** |
| 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 |
| **Common equity tier 1 capital deductions** | **24,621** |
| 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) |
| **Net common equity tier 1 capital** | **3,624,342** |
| **Additional tier 1 capital** | **325,111** |
| Additional tier 1 capital instruments and related premiums | 324,344 |
| Valid portion of minority interests | 767 |
| **Net tier 1 capital** | **3,949,453** |
| **Tier 2 capital** | **1,037,078** |
| 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 |
| **Net capital base** | **4,986,531** |
| **Risk-weighted assets[(2)]** | **25,710,855** |
| **Common equity tier 1 capital adequacy ratio (%)** | **14.10** |
| **Tier 1 capital adequacy ratio (%)** | **15.36** |
| **Capital adequacy ratio (%)** | **19.39** |

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

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

**RISK-WEIGHTED ASSETS**

In RMB millions

| Item | At 31 December 2024 |
|---|---|
| Credit risk-weighted assets | 23,386,013 |
| 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 |
| **Total** | **25,710,855** |

**LEVERAGE RATIO**

In RMB millions, except for percentages

| Item | 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.

## Allocation and Management of Economic Capital

Economic capital management of the Bank includes three major aspects: measurement, allocation and application. Economic capital indicators include Economic Capital (EC), Risk-Adjusted Return on Capital (RAROC) and Economic Value-added (EVA). All of the above are applied in credit resource allocation, risk constraint, performance assessment, expenditure allocation, product pricing and customer management, etc.

The Bank continuously improved the EVA value ecosystem and leveraged the leading and driving role of capital. It further optimized the economic capital measurement policy, and increased the preferential allocation to key areas such as manufacturing, green development, sci-tech innovation, strategic emerging industries and rural revitalization. The Bank improved the capital constraint mechanism and comprehensively strengthened capital management of domestic and overseas branches, controlled institutions and departments of the Head Office. It increased the use of economic capital in incentive assessment, and actively promoted the adjustment of asset structure and the enhancement of value creation capacity.

## Assessment Indicators of Systemically Important Banks

### Global Systemically Importance Assessment Indicators of Commercial Banks

In accordance with the Capital Rules and the Instructions for G-SIB Assessment Exercise issued by the Basel Committee on Banking Supervision, the Bank calculated and disclosed the global systemically importance assessment indicators.

In RMB millions

| Indicator category | Indicator | 2024 |
|---|---|---|
| Global (cross-jurisdictional) activity | Cross-jurisdictional claims | 2,800,365 |
| | Cross-jurisdictional liabilities | 2,475,431 |
| Size | Balance of adjusted on- and off-balance sheet assets | 51,321,725 |
| Interconnectedness | Intra-financial system assets | 2,345,602 |
| | Intra-financial system liabilities | 4,566,332 |
| | Securities and other financing instruments issued | 8,421,045 |
| Substitutability | Assets under custody | 27,948,227 |
| | Payments settled via payment systems or correspondent banks | 844,044,660 |
| | Underwritten transactions in debt and equity markets | 2,253,351 |
| | Trading volume of fixed-income securities | 10,980,041 |
| | Trading volume of equities and other securities | 981,071 |
| Complexity | Notional amount of over-the-counter ("OTC") derivatives | 16,473,538 |
| | Level 3 assets | 199,797 |
| | Trading and available-for-sale securities | 1,050,149 |

## Assessment Indicators of Domestic Systemically Important Banks

In accordance with the Measures for Assessment of Systemically Important Banks and the Notice on Launching the Assessment Data Completion of Systemically Important Banks issued by the PBC and the former CBIRC, the Bank calculated and disclosed the 2023 assessment indicators of domestic systemically important banks.

In RMB millions, unless otherwise specified

| Indicator category | Indicator | 2023 |
|---|---|---|
| Size | Balance of adjusted on- and off-balance sheet assets | 46,978,647 |
| Interconnectedness | Intra-financial system assets | 3,783,873 |
| | Intra-financial system liabilities | 4,716,171 |
| | Securities and other financing instruments issued | 2,837,666 |
| Substitutability | Payments settled via payment systems or correspondent banks | 718,647,269 |
| | Assets under custody | 21,062,084 |
| | Agency and commission-based business | 7,157,100 |
| | Number of corporate customers (in 10,000) | 1,206 |
| | Number of personal customers (in 10,000) | 74,023 |
| | Number of domestic operating institutions | 15,884 |
| Complexity | Derivatives | 10,950,864 |
| | Securities measured at fair value | 765,333 |
| | Assets of non-banking affiliates | 1,015,225 |
| | Wealth management business | 249,566 |
| | Balance of wealth management products issued by the wealth management subsidiary | 1,607,477 |
| | Cross-jurisdictional claims and liabilities | 4,723,970 |

# 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 14th Five-Year Plan and the start of the 15th 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.

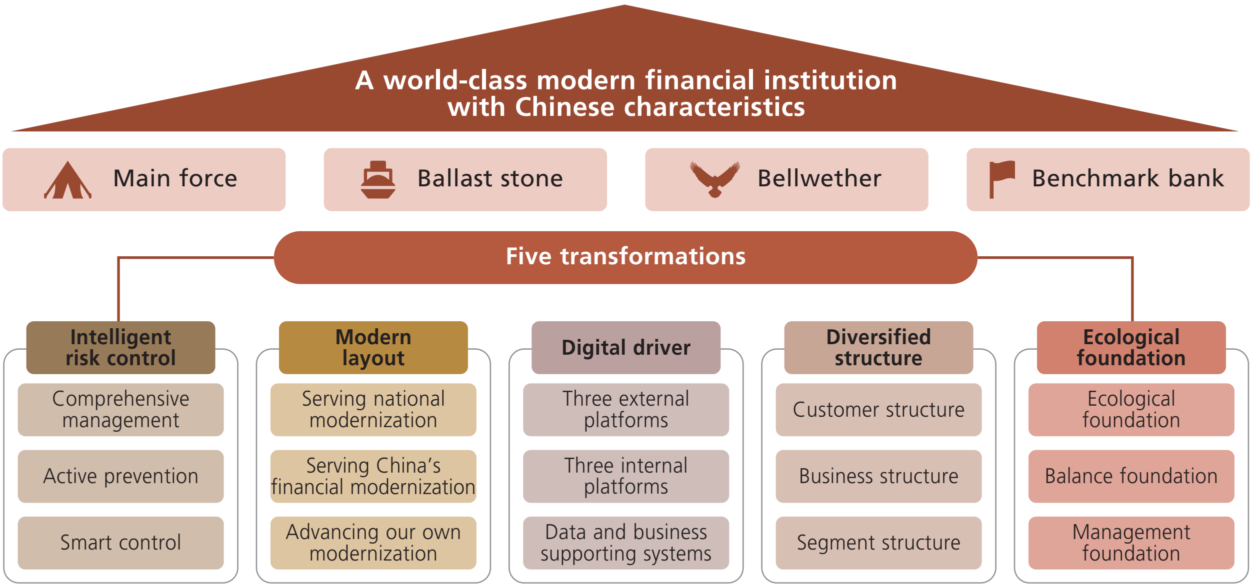
The Bank will firmly uphold the functional mission of a major state-owned bank and resolutely follow the path of financial development with Chinese characteristics. With a leadership stance, the Bank will embark on a new journey of rebalancing and tackling key challenges, taking the lead in exploring 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.

# Hot Topics in the Capital Market

## Hot Topic 1: ICBC Embarks on a New Journey and Advances "Five Transformations" after Its 40th Anniversary

In 2024, the Bank hit the road again after its 40th 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.

# Details of Changes in Share Capital and Shareholding of Substantial Shareholders

## Changes in Ordinary Shares

### DETAILS OF CHANGES IN SHARE CAPITAL

Unit: Share

| | At 31 December 2023 | | Increase/decrease during the reporting period | At 31 December 2024 | |
|---|---|---|---|---|---|
| | Number of shares | Percentage (%) | | Number of shares | Percentage (%) |
| **I. Shares subject to restrictions on sales** | **–** | **–** | **–** | **–** | **–** |
| **II. Shares not subject to restrictions on sales** | **356,406,257,089** | **100.00** | **–** | **356,406,257,089** | **100.00** |
| 1. RMB-denominated ordinary shares | 269,612,212,539 | 75.65 | – | 269,612,212,539 | 75.65 |
| 2. Foreign shares listed overseas | 86,794,044,550 | 24.35 | – | 86,794,044,550 | 24.35 |
| **III. Total number of shares** | **356,406,257,089** | **100.00** | **–** | **356,406,257,089** | **100.00** |

Notes: (1) The above data are based on the Equity Structure Chart issued by China Securities Depository and Clearing Corporation Limited.

(2) "Foreign shares listed overseas", namely H shares, are within the same meaning as defined in the "No. 5 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Report of Change in Corporate Shareholding" (Revision 2022) of the CSRC.

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

## 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.

For details on the issuance of preference shares of the Bank, please refer to the section headed "Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Preference Shares".

For details on the issuance progress of tier 2 capital bonds and undated additional tier 1 capital bonds of the Bank during the reporting period, please refer to the section headed "Discussion and Analysis — Capital Management".

For information on other securities issued by the Bank and its subsidiaries, please refer to "Note 36. to the Consolidated Financial Statements: Debt Securities Issued; Note 39. to the Consolidated Financial Statements: Other Equity Instruments" for details.

## 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**

Unit: Share

| 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 (%) | Number of pledged/ locked-up/ marked shares |
|---|---|---|---|---|---|---|
| Huijin | 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(5) | Foreign legal person | H Share | 23,182,647 | 86,167,303,253 | 24.18 | Unknown |
| SSF(6) | State-owned | A Share | – | 12,331,645,186 | 3.46 | None |
| Hong Kong Securities Clearing Company Limited(7) | 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(8) | Other entities | A Share | 231,275,678 | 658,534,873 | 0.18 | None |
| Industrial and Commercial Bank of China — Huatai-PB CSI 300 ETF(9) | Other entities | A Share | 343,279,504 | 605,054,561 | 0.17 | None |
| China Construction Bank Corporation — E Fund HS 300 ETF(10) | 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 Huijin. 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 SSF.

(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 SSF 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 SSF 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 SSF to the Bank, the SSF 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.

## Particulars of Substantial Shareholders

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

### Controlling Shareholders

The largest single shareholder of the Bank is Huijin, whose full name is Central Huijin Investment Ltd. Huijin is a state-owned company founded by the State according to the Company Law on 16 December 2003. Its registered capital is equal to its paid-in capital at RMB828,209 million. Its registered address is New Poly Plaza, 1 Chaoyangmen North Street, Dongcheng District, Beijing. Its unified social credit code is 911000007109329615, and its legal representative is Zhang Qingsong. Huijin is a wholly-owned subsidiary of China Investment Corporation. In accordance with authorization by the State Council, 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 in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not engage in any other business activities, and does not intervene in the day-to-day business operations of the key state-owned financial institutions it controls.

As at 31 December 2024, Huijin held approximately 34.79% shares of the Bank. It held shares directly in the institutions listed below:

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

Notes: (1) ★ represents A share listed company, while ☆ represents H share listed company.

(2) Except the above-mentioned controlling or equity participating enterprises, Huijin also has a wholly-owned subsidiary — Central Huijin Asset Management Co., Ltd.

The second single largest shareholder of the Bank is the MOF, which held approximately 31.14% shares of the Bank as at 31 December 2024. The MOF is a department under the State Council, and is responsible for overseeing the State's fiscal revenue and expenditure, formulating the fiscal and taxation policies, and supervising State finance at a macro level.

## Particulars of Other Substantial Shareholders

SSF. The SSF owned 5.31% of the shares of the Bank as at 31 December 2024. Founded in August 2000, the SSF is a public service institution administered by the MOF, having its address at South Tower, Building 11, Fenghuiyuan Fenghui Times Building, Xicheng District, Beijing, China, and its legal representative being Liu Wei. With the approval of the State Council and pursuant to regulations of the MOF and the Ministry of Human Resources and Social Security, the SSF has been entrusted to manage the following funds: the National Social Security Fund, the subsidy from central government to individual accounts, part of the surplus of the enterprise employee's basic pension insurance, basic pension insurance fund and the partial state-owned capital transferred.

## Particulars of the De Facto Controller

None.

# 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[2] (%) | Percentage of total ordinary shares[2] (%) |
|---|---|---|---|---|---|
| Huijin[1] | 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, Huijin held 124,004,660,940 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Huijin, 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[3] (%) | Percentage of total ordinary shares[3] (%) |
|---|---|---|---|---|---|
| Ping An Asset Management Co., Ltd.[1] | Investment manager | 14,858,545,000 | Long position | 17.12 | 4.17 |
| SSF[2] | 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 SSF to the Bank, the SSF 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.

## 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**

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 |
|---|---|---|---|---|---|---|---|
| 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:

| | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| Type of preference shares | Dividend rate | Dividend distributed(1) | Dividend rate | Dividend distributed(1) | Dividend rate | Dividend distributed(1) |
| 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(2) | 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.

# Directors, Supervisors and Senior Management

## Basic Information on Directors, Supervisors and Senior Management

| Name | Position | Gender | Birth year | Tenure |
|---|---|---|---|---|
| Liao Lin | Chairman, Executive Director | Male | 1966 | Since July 2020 |
| Liu Jun | Vice Chairman, Executive Director, President | Male | 1972 | Since June 2024 |
| Wang Jingwu | Executive Director, Senior Executive Vice President, Chief Risk Officer | Male | 1966 | Since September 2021 |
| Lu Yongzhen | Non-executive Director | Male | 1967 | Since August 2019 |
| Feng Weidong | Non-executive Director | Male | 1964 | Since January 2020 |
| Cao Liqun | Non-executive Director | Female | 1971 | Since January 2020 |
| Chen Yifang | Non-executive Director | Female | 1964 | Since August 2021 |
| Dong Yang | Non-executive Director | Male | 1966 | Since January 2022 |
| Zhong Mantao | Non-executive Director | Female | 1978 | Since September 2024 |
| Fred Zuliu Hu | Independent Non-executive Director | Male | 1963 | Since April 2019 |
| Norman Chan Tak Lam | Independent Non-executive Director | Male | 1954 | Since September 2022 |
| Herbert Walter | Independent Non-executive Director | Male | 1953 | Since March 2024 |
| Murray Horn | Independent Non-executive Director | Male | 1954 | Since August 2024 |
| Chen Guanting | Independent Non-executive Director | Male | 1963 | Since November 2024 |
| Li Weiping | Independent Non-executive Director | Male | 1973 | Since February 2025 |
| Huang Li | Employee Supervisor | Male | 1964 | Since June 2016 |
| Zhang Jie | External Supervisor | Male | 1965 | Since November 2021 |
| Liu Lanbiao | External Supervisor | Male | 1966 | Since June 2022 |
| Zhang Weiwu | Senior Executive Vice President | Male | 1975 | Since June 2021 |
| Duan Hongtao | Senior Executive Vice President, Board Secretary | Male | 1969 | Since March 2023 |
| Yao Mingde | Senior Executive Vice President | Male | 1970 | Since March 2024 |
| Zhang Shouchuan | Senior Executive Vice President | Male | 1973 | Since June 2024 |
| Song Jianhua | Chief Business Officer | Male | 1965 | Since April 2020 |
| Tian Fenglin | Chief Business Officer | Male | 1967 | Since December 2023 |
| **Directors, Supervisors and Senior Management Leaving Office** | | | | |
| Chen Siqing | Chairman, Executive Director | Male | 1960 | May 2019-February 2024 |
| Anthony Francis Neoh | Independent Non-executive Director | Male | 1946 | April 2015-March 2024 |
| Yang Siu Shun | Independent Non-executive Director | Male | 1955 | April 2016-August 2024 |
| Shen Si | Independent Non-executive Director | Male | 1953 | March 2017-November 2024 |
| Zhang Wenwu | Senior Executive Vice President | Male | 1973 | July 2020-March 2024 |
| Guan Xueqing | Board Secretary | Male | 1963 | July 2016-April 2024 |
| Xiong Yan | Chief Business Officer | Female | 1964 | April 2020-November 2024 |

Notes: (1) Please refer to the section headed "Appointment and Removal".

(2) The terms of Mr. Liao Lin, Mr. Liu Jun and Mr. Wang Jingwu as Executive Directors of the Bank are set out in the above table. Please refer to the section headed "Biographies of Directors, Supervisors and Senior Management" for the starting time of their terms as Senior Management members of the Bank.

(3) The term of Mr. Duan Hongtao as Senior Executive Vice President of the Bank is set out in the above table. Please refer to the section headed "Biographies of Directors, Supervisors and Senior Management" for the starting time of his term as Board Secretary of the Bank.

(4) According to the Articles of Association of the Bank, before the newly elected directors take office, the current directors shall continue to act as directors.

(5) According to the regulations of the CSRC, the commencement date of a re-elected director or supervisor's tenure as indicated in the above table shall be the day of his/her first appointment. According to the Articles of Association of the Bank, the term of the Bank's directors and supervisors is three years and they can be re-elected and reappointed upon expiration of their term.

(6) During the reporting period, the Bank did not implement any share incentives. None of the existing directors, supervisors and senior management members of the Bank or those who left office during the reporting period held shares or share options or were granted restricted shares of the Bank, and there was no change during the reporting period.

## Biographies of Directors, Supervisors and Senior Management

### Liao Lin, Chairman, Executive Director

Mr. Liao has served as Chairman and Executive Director of the Bank since February 2024, Vice Chairman, Executive Director and President since March 2021, and Executive Director of the Bank since July 2020. He served as Senior Executive Vice President, Senior Executive Vice President and concurrently Chief Risk Officer since November 2019. Mr. Liao was appointed as Deputy General Manager of Guangxi Branch of China Construction Bank, General Manager of Ningxia Branch, Hubei Branch and Beijing Branch of China Construction Bank, Chief Risk Officer, Executive Vice President and concurrently Chief Risk Officer of China Construction Bank. Mr. Liao obtained a Doctoral degree in Management Science from Southwest Jiaotong University. He is a senior economist.

### Liu Jun, Vice Chairman, Executive Director, President

Mr. Liu has served as President of the Bank since May 2024, and Vice Chairman and Executive Director of the Bank since June 2024. He previously served as Vice Chairman, Executive Director and President of the Bank of Communications Co., Ltd. He served as Executive Vice President and Chief Risk Officer of China Investment Corporation. He served as Deputy General Manager of China Everbright Group Ltd., Executive Director and Deputy General Manager of China Everbright Group Limited and Senior Executive Vice President of China Everbright Bank. Mr. Liu obtained a Doctoral degree in Business Administration from Hong Kong Polytechnic University. He is a senior economist.

### Wang Jingwu, Executive Director, Senior Executive Vice President, Chief Risk Officer

Mr. Wang has served as Executive Director, Senior Executive Vice President and concurrently Chief Risk Officer since September 2021, and as Senior Executive Vice President of the Bank since April 2020. He has successively served as Supervision Commissioner (Deputy Director level) of the PBC Shijiazhuang Central Sub-branch, Head of the PBC Shijiazhuang Central Sub-branch and concurrently Director of the State Administration of Foreign Exchange ("SAFE") Hebei Branch, Head of the PBC Hohhot Central Sub-branch and concurrently Director of the SAFE Inner Mongolia Branch, Head of the PBC Guangzhou Branch and concurrently Director of the SAFE Guangdong Branch, and Director-General of the PBC Financial Stability Bureau. Mr. Wang received a Doctoral degree in Economics from Xi'an Jiaotong University. He is a research fellow.

## Lu Yongzhen, Non-executive Director

Mr. Lu has served as Non-executive Director of the Bank since August 2019. He joined Huijin in 2019. Mr. Lu previously served as Deputy Director of the Administrative Office of the Economic Research Consultation Centre of the State Economic and Trade Commission, Director of the Specific Research Department of the Economic Research Centre of the State Economic and Trade Commission, Director of the Capital Markets Research Department of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council, and Director Assistant of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council with the concurrent post as the Director of the Capital Markets Research Department, and Deputy Director of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council. Mr. Lu obtained a Bachelor's degree and a Master's degree from Peking University, and a Doctoral degree in Economics from Southwestern University of Finance and Economics. He is a researcher.

## Feng Weidong, Non-executive Director

Mr. Feng has served as Non-executive Director of the Bank since January 2020. He joined the MOF in 1986. He previously served as Deputy Director of Academic Affairs Division of Chinese Accounting Correspondence School of the MOF (deputy division chief level), Person in charge of Teaching Material Department of National Accountant Certification Examination Leading Group Office, Director of Accounting Personnel Management Division and Director of Institutional System Division I of Accounting Department of the MOF, Secretary of the Party Committee and Director (director-general level) of National Accountant Assessment & Certification Centre of the MOF, and member of the Accounting Conceptual Framework Committee of the International Public Sector Accounting Standards Board (IPSASB). He concurrently serves as a Managing Director of the 9th Council of the Accounting Society of China, a part-time professor and off-campus practice tutor for postgraduate students of the School of Economics and Management of Beijing Jiaotong University, and a visiting tutor for postgraduate students in the Accounting School of the Central University of Finance and Economics. Mr. Feng obtained a Bachelor's degree in Economics from Dongbei University of Finance & Economics and a Doctoral degree from Beijing Jiaotong University. Mr. Feng Weidong is a senior accountant, researcher, non-practicing certified public accountant and is a recipient of the Special Government Allowance by the State Council of China.

## Cao Liqun, Non-executive Director

Ms. Cao has served as Non-executive Director of the Bank since January 2020. She joined Huijin in 2020. Ms. Cao previously served as Deputy Director of Regulations Division, General Affairs Department, Director of Regulations Division, General Affairs Department, Director of Non-Financial Institutions Inspection Division, Supervision and Inspection Department, Director of General Affairs Division, Supervision and Inspection Department, Deputy Director-General of Supervision and Inspection Department, Inspector of General Affairs Department (Policy and Regulation Department), Level-Two Inspector of General Affairs Department (Policy and Regulation Department) of State Administration of Foreign Exchange, and acted as Deputy Director of Administrative Committee of Beijing's Zhongguancun Science Park. Ms. Cao obtained a Bachelor's degree in Law from China University of Political Science and Law, a Master's degree in Finance from Renmin University of China, and a Master's degree in Public Administration from Peking University. Ms. Cao is an economist.

## Chen Yifang, Non-executive Director

Ms. Chen has served as Non-executive Director of the Bank since August 2021. She joined the MOF in 1985. She previously served as Deputy Division Chief of Payment Management Division and Deputy Director of Charge Bill Regulatory Center of General Affairs and Reform Department of the MOF, Deputy Division Chief of the Charging Fund Policy Management Division of the Comprehensive Department of the MOF, Division Chief of Charging Fund Division of Policy Planning Department of the MOF, Division Chief of Housing and Land Division of the Comprehensive Department of the MOF, Deputy Director-General of the Comprehensive Department of the MOF, Member of the Party Group, Inspector and Deputy Secretary of the Party Group of Shenzhen Finance Supervision Commissioner Office of the MOF, Deputy Secretary of the Party Group, Inspector and Level-one Inspector of Shenzhen Regulatory Bureau of the MOF, and Level-one Inspector of Fiscal Notes Supervision Center of the MOF. Ms. Chen obtained a Bachelor's degree in Economics from Jiangxi University of Finance and Economics.

## Dong Yang, Non-executive Director

Mr. Dong has served as Non-executive Director of the Bank since January 2022. He joined the MOF in 1989. He previously served as assistant researcher, researcher and secretary (director level) of the Department of National Defense of the MOF, a member of the CPC Committee, Deputy Inspector, and Discipline Inspection Team Leader of the Commissioner's Office of the MOF in Heilongjiang, a member of the CPC Committee, Deputy Inspector and Discipline Inspection Leader of the Commissioner's Office of the MOF in Beijing, a member of the CPC Committee, Deputy Director, and Discipline Inspection Team Leader of the Beijing Regulatory Bureau of the MOF. Mr. Dong obtained a Bachelor's degree in Economics from Beijing Normal University, and a Master's degree in Management from Harbin Engineering University.

## Zhong Mantao, Non-executive Director

Ms. Zhong has served as Non-executive Director of the Bank since September 2024. She joined Huijin in 2024. She previously served as the Deputy Chief of Review Division III and Review Division I of the Assessment and Review Department of Export-Import Bank of China, the Chief of Review Division I and Assessment Division II of the Assessment and Review Department of Export-Import Bank of China, the Deputy General Manager of the Assessment and Review Department, the Deputy General Manager of the Credit Review and Approval Department, and the Deputy General Manager of Corporate Banking Department of Export-Import Bank of China. Ms. Zhong obtained a Master's degree in Economics from Central University of Finance and Economics.

## Fred Zuliu Hu, Independent Non-executive Director

Mr. Hu has served as Independent Non-executive Director of the Bank since April 2019. He previously served as a senior economist at the International Monetary Fund, Head of Research at the World Economic Forum, the co-director of the National Center for Economic Research and a professor at Tsinghua University, an adjunct professor at the Chinese University of Hong Kong and Peking University, the chairman for Greater China and a partner at Goldman Sachs Group, Inc., and the independent non-executive director of Ant Group Co., Ltd., etc. Mr. Hu currently serves in various positions such as the chairman of Primavera Capital Group, the non-executive chairman of Yum China Holdings, Inc, the director of UBS Group AG, the director of Taikang Insurance Group Co., Ltd., the co-chair of The Nature Conservancy's Asia Pacific Council and the director of the China Medical Board. Mr. Hu is also a member of the Global Board of Advisors for the Council on Foreign Relations, the Harvard Global Advisory Council, the Harvard Kennedy School Mossavar-Rahmani Center for Business and Government, the Jerome A. Chazen Institute of International Business at Columbia University etc. Mr. Hu obtained a Master's degree in Engineering Science from Tsinghua University, and a Master's degree and a PhD in Economics from Harvard University.

## Norman Chan Tak Lam, Independent Non-executive Director

Mr. Chan has served as Independent Non-executive Director of the Bank since September 2022. He previously served as Chief Executive of the Hong Kong Monetary Authority, Director of the Chief Executive's Office of the Hong Kong Special Administrative Region Government, Vice Chairman of Asia of Standard Chartered Bank, Chairman of HK Acquisition Corporation and other positions. He currently serves as Chairman of the Board of Directors of RD Wallet Technologies Limited, Chairman of the Board of Directors of RD ezLink Limited, Founding Chairman of Hong Kong Institute of Web 3.0, Senior Adviser of the Hong Kong Academy of Finance, Chairman of the Board of Trustees of Chung Chi College of The Chinese University of Hong Kong, Vice Chairman of The Chinese University of Hong Kong Council, Chairman of the Board of CUHK Innovation Limited. He obtained a Bachelor's degree in Social Sciences from The Chinese University of Hong Kong, an Honorary Fellowship from The Chinese University of Hong Kong, an Honorary Doctorate of Business Administration from City University of Hong Kong, an Honorary Doctorate of Business Administration from Lingnan University, an Honorary Doctorate of Business Administration from Hong Kong Shue Yan University, an Honorary Doctorate of Social Sciences of The Chinese University of Hong Kong. He was awarded the Silver Bauhinia Star by the Hong Kong Special Administrative Region and the Gold Bauhinia Star by the Hong Kong Special Administrative Region. He is a Fellow of The Hong Kong Institute of Bankers, Fellow of Hong Kong Academy of Finance. He was awarded the IFTA FinTech Achievement Award by the Institute of Financial Technologists of Asia (IFTA), the Leadership Lifetime Achievement Award by *The Asian Banker*.

### Herbert Walter, Independent Non-executive Director

Mr. Walter has served as an Independent Non-executive Director of the Bank since March 2024. He previously served as Chairman of the Board of Dresdner Bank AG, a member of the Holding Board of Allianz SE, a member of the Group Executive Committee, the Global Head of Retail, Private and Commercial Banking of Deutsche Bank, Chairman of the German Financial Market Stabilisation Authority (FMSA), Chairman of the German National Resolution Authority (NRA) and a Plenary Member of the European Single Resolution Board (SRB), and an Independent Non-executive member of the Supervisory Boards of financial institutions and companies, including Banco Português de Investimento (BPI), S.A. (Porto), and DEPFA Bank plc (Dublin), ERGO Insurance Group AG, Deutsche Börse Group AG, E.ON Ruhrgas AG and Lufthansa Group AG. He was Chairman of the Advisory Board of the Institute for Law and Finance at the Goethe University Frankfurt am Main and the Karajan Academy of the Berlin Philharmonic Orchestra, and a member of the Advisory Boards of Amundi Asset Management Group (Germany), Consileon Consultancy Group and Scope European Ratings Group. He is currently an Independent Non-executive member of the Supervisory Board of AKBANK AG. He obtained a Master's degree in Business Administration from the Ludwig Maximilian University in Munich and holds a Doctorate in Political Science.

### Murray Horn, Independent Non-executive Director

Mr. Murray Horn has served as an Independent Non-executive Director of the Bank since August 2024. Mr. Murray Horn previously served as Managing Director of ANZ Bank in New Zealand and head of global institutional banking at ANZ (Australia), an independent director at China Construction Bank. He was Secretary to the New Zealand Treasury. He was also the Chairman of the National Health Board of New Zealand, member of the New Zealand Tourism Board, Chairman of the New Zealand Business Roundtable, member of the Board of the Centre for Independent Studies in Australia and member of the Trilateral Commission. Mr. Murray Horn currently serves as Non-executive Chairman of CCB New Zealand Limited, Chairman of Marisco Properties Limited and Chairman of Marisco Vineyards Limited. Mr. Murray Horn holds a PhD degree from Harvard University in Political Economy and Government and a Master's degree in Commerce and a Bachelor's degree in Commerce from Lincoln University. Mr. Murray Horn was awarded the Bledisloe Medal from Lincoln University, and was made a Companion of the New Zealand Order of Merit.

### Chen Guanting, Independent Non-executive Director

Mr. Chen has served as an Independent Non-executive Director of the Bank since November 2024. He previously held positions as assistant auditor, auditor and senior auditor at the Shandong Provincial Audit Office. Mr. Chen is currently a doctoral supervisor in the Department of Accounting at the School of Economics and Management at Tsinghua University, the Director of the Research Center for Intelligent Auditing of the School of Economics and Management at Tsinghua University, and a Researcher at the Institute for State-owned Assets Management at Tsinghua University. He also serves as an Independent Director of Integrated Electronic Systems Lab Co., Ltd., Bloomage Biotechnology Corporation Limited and Alltrust Insurance Company Ltd., as well as the Vice Chairman of the Beijing Audit Society, Vice Chairman of the Intelligent Accounting Branch of the China Business Accounting Institute, and a member of the Information Technology Committee of the Chinese Institute of Certified Public Accountants. Mr. Chen obtained a Doctoral degree in Accounting from Renmin University of China. He is a certified public accountant and senior auditor.

### Li Weiping, Independent Non-executive Director

Mr. Li has served as an Independent Non-executive Director of the Bank since February 2025. He previously held positions as a member of the Party Committee, the assistant to the president and the director of the Office of International Relations at the School of Software & Microelectronics of Peking University, as well as the deputy director at the Department of Software Engineering and Data Technology of the School of Software & Microelectronics. Mr. Li is currently the deputy director of the Teaching Guidance Committee, a professor and a doctoral supervisor at the School of Software & Microelectronics of Peking University. He concurrently serves as a Distinguished Member of the China Computer Federation (CCF), a member of the CCF-TC Service Computing, a member of the Social Media Processing Professional Committee of the Chinese Information Processing Society of China (CIPS-SMP), a member of the System Architecture, Communication and Integration Framework Committee of the China National Technical Committee for Automation Systems and Integration Standardization, a member of the Organizational Unified Social Credit Code Technical Committee of the National Social Credit Standardization Technical Committee, and the chief scientist of the National Key Research and Development Program Project. Mr. Li obtained a Doctoral degree from Shenyang Institute of Automation, Chinese Academy of Sciences.

### Huang Li, Employee Supervisor

Mr. Huang has served as Employee Supervisor of the Bank since June 2016. He joined ICBC in 1994 and is currently the Regional Chief Officer. He served as Deputy General Manager and General Manager of the Banking Department, Deputy Head and Head of Guizhou Branch, and Head of Beijing Branch of ICBC. Mr. Huang obtained an MBA degree from The University of Hong Kong. He is a senior economist.

### Zhang Jie, External Supervisor

Mr. Zhang has served as External Supervisor of the Bank since November 2021. He is currently a professor and doctoral supervisor of the Renmin University of China, a distinguished professor of the Ministry of Education's "Changjiang Scholars Program", a famous teacher of the national "Ten Thousand Talents Program", a national candidate of the "New Century Talents Project", and an executive director of the China Society for Finance and Banking. Mr. Zhang is a recipient of the special government allowance provided by the State Council. He was the Dean of the School of Finance of Shaanxi Institute of Finance and Economics, the Associate Dean of the School of Economics and Finance of Xi'an Jiaotong University, and the Associate Dean of the School of Finance of Renmin University of China. Mr. Zhang obtained a Doctoral degree in Economics from Shaanxi University of Finance and Economics.

### Liu Lanbiao, External Supervisor

Mr. Liu has served as External Supervisor of the Bank since June 2022. He is currently a professor, doctoral supervisor of the School of Finance of Nankai University, concurrently Director of the Northeast Asia Financial Cooperation Research Center, an Expert at the MOF Financial Risk Research Center and the MOF Debt Research and Assessment Center, Member of the China Financial Standardization Technical Committee, Deputy Director of the Asia-Pacific Profession Committee at the Chinese Social and Economic Systems Analysis Research Association, Independent Director of NYOCOR Co., Ltd., and Independent Director of China Bohai Bank Co., Ltd. Mr. Liu was a Vice Dean of the School of Finance and Vice Dean of the Institute of State Economy of Nankai University and External Supervisor of Liaoshen Bank Co., Ltd. Mr. Liu obtained a Doctoral degree in Economics from Nankai University.

### Zhang Weiwu, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since June 2021. He was appointed as General Manager of ICBC (Europe) Amsterdam Branch, General Manager of Singapore Branch and General Manager of the International Banking Department of the Head Office of ICBC. Mr. Zhang obtained a Master's degree in Economics from the Northwest University and an MBA degree from Hitotsubashi University in Japan. He is a senior economist.

### Duan Hongtao, Senior Executive Vice President and Board Secretary

Mr. Duan has served as Senior Executive Vice President of the Bank since March 2023 and concurrently Board Secretary of the Bank since August 2024. He previously served as the Assistant to General Manager and Deputy General Manager of Hubei Branch, General Manager of Qingdao Branch, General Manager of Shandong Branch, and Director of the Executive Office of the Head Office of China Construction Bank. Mr. Duan obtained a Doctoral degree in Management from Wuhan University of Technology. He is a senior economist.

### Yao Mingde, Senior Executive Vice President

Mr. Yao has served as Senior Executive Vice President of the Bank since March 2024. He previously served as Deputy General Manager of the Financial Accounting Department/County Area Banking Accounting and Assessment Center of the Head Office of Agricultural Bank of China, General Manager of the Financial Accounting Department/Office of Assessment Center/County Area Banking/Inclusive Finance Accounting and Assessment Center of the Head Office, Chairman of Agricultural Bank of China (Moscow) Limited, and President of Shenzhen Branch of Agricultural Bank of China. Mr. Yao obtained a Doctoral degree in Management from Central University of Finance and Economics. He is a senior accountant.

### Zhang Shouchuan, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since June 2024. He previously served as Deputy General Manager of the Risk Management Department and concurrently Director of the Basel II Planning and Coordination Office, Vice President and concurrently Chief Risk Officer of Shandong Branch, President of Inner Mongolia Branch, Director of the Executive Office of the Head Office, and President of Shanghai Branch and concurrently Executive Vice President of Shanghai RMB Trading Unit of Bank of China. Mr. Zhang obtained a Doctoral degree in Economics from Renmin University of China. He is an economist.

### Song Jianhua, Chief Business Officer

Mr. Song has served as Chief Business Officer of the Bank since April 2020. He was appointed as Deputy General Manager of ICBC Jiangsu Branch and General Manager of the Personal Banking Department of the Head Office. Mr. Song obtained a Doctoral degree in Management Science and Engineering from Nanjing University. He is a senior economist.

### Tian Fenglin, Chief Business Officer

Mr. Tian has served as Chief Business Officer of the Bank since December 2023. He previously served as Deputy General Manager of ICBC Singapore Branch, Executive Director and General Manager of ICBC (Malaysia), Vice Chairman of ICBC (Argentina), Deputy General Manager of Jiangsu Branch and General Manager of Suzhou Branch, General Manager of Jiangsu Branch, and General Manager of the Corporate Banking Department and the Investment Banking Department of the Head Office. He obtained a Master’s degree in Economics from Huazhong Agricultural University and an MBA degree from the University of Chicago. He is a senior economist.

Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun, Ms. Chen Yifang, Mr. Dong Yang and Ms. Zhong Mantao were recommended by Huijin to serve as Non-executive Directors of the Bank. Huijin holds interests in shares of the Bank. Please refer to the section headed “Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Interests and Short Positions Held by Substantial Shareholders and Other Persons” for further details.

None of the Directors, Supervisors and Senior Management members of the Bank, whether they are incumbent or have left office during the reporting period, have been punished by the securities regulator in the past three years.

## Appointment and Removal

### Directors

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. 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. On 29 February 2024, the First Extraordinary General Meeting of 2024 of the Bank elected Mr. Zhang Wenwu as Executive Director of the Bank[1]; and elected Mr. Murray Horn as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in August 2024. 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. At the Bank's Annual General Meeting for the Year 2023 held on 28 June 2024, Mr. Liao Lin was re-elected as Executive Director of the Bank, and his new term of office as Executive Director started from the date of approval by the Shareholders' General Meeting; 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; Ms. Zhong Mantao was elected as Non-executive Director of the Bank, and her qualification was approved by the NFRA in September 2024. On 20 September 2024, the Second Extraordinary General Meeting of 2024 of the Bank re-elected Mr. Wang Jingwu as Executive Director of the Bank, and his new term of office as Executive Director started from the day of consideration and approval by the Shareholders' General Meeting; and elected Mr. Chen Guanting as Independent Non-executive Director of the Bank, and his qualification was approved by the NFRA in November 2024. 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[2]. On 14 February 2025, the Board of Directors of the Bank nominated Mr. Dong Yang as a candidate for re-election as a Non-executive Director of the Bank, and agreed that, upon the approval of his re-election as a Non-executive Director by the Shareholders' General Meeting of the Bank, he would continue to hold relevant positions on special committees of the Board of Directors. The matter of Mr. Dong Yang serving as a Non-executive Director of the Bank shall be submitted to the Shareholders' General Meeting of the Bank for deliberation and voting, and his new term of office will start from the day of approval by the Shareholders' General Meeting.

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. 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. 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. 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.

### Senior Management Members

On 29 February 2024, the Board of Directors of the Bank appointed Mr. Yao Mingde as Senior Executive Vice President of the Bank, and his qualification was approved by the NFRA in March 2024. On 29 April 2024, the Board of Directors of the Bank appointed Mr. Zhang Shouchuan as Senior Executive Vice President of the Bank, and his qualification was approved by the NFRA in 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. On 7 August 2024, the Board of Directors of the Bank appointed Mr. Duan Hongtao to concurrently serve as Board Secretary of the Bank, as well as Company Secretary and Authorized Representative, and the above appointments took effect upon the consideration and approval by the Board of Directors.

1 Mr. Zhang Wenwu has resigned from all positions including Senior Executive Vice President of the Bank. For details, please refer to the section headed "Appointment and Removal — Senior Management Members".

2 Before their appointments became effective, Mr. Herbert Walter, Mr. Liu Jun, Mr. Murray Horn, Ms. Zhong Mantao, Mr. Chen Guanting and Mr. Li Weiping confirmed that they obtained the legal advice required under Section 3.09D of Hong Kong Listing Rules on 6 March, 9 May, 28 April, 24 September, 27 November and 17 December 2024, respectively, and understood their responsibilities as directors of the Bank.

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. In March 2024, Mr. Zhang Wenwu ceased to act as Senior Executive Vice President of the Bank due to change of job assignments. In April 2024, Mr. Guan Xueqing ceased to act as Board Secretary and Company Secretary of the Bank due to his age. After Mr. Guan Xueqing left his office and before the new Board Secretary is appointed, Mr. Duan Hongtao, Senior Executive Vice President of the Bank, has performed the duties of Board Secretary. In November 2024, Ms. Xiong Yan ceased to act as Chief Business Officer of the Bank due to her age.

## Annual Remuneration

Unit: RMB10,000

| | Remuneration from the Bank | | | | | |
|---|---|---|---|---|---|---|
| Name | Remuneration paid (before tax) (1) | Contribution by the employer to social insurance, housing allowance, annuities, and additional medical insurances (2) | Fees (3) | Other monetary income (4) | Total remuneration before tax (5)=(1)+(2)+(3)+(4) | Obtain remuneration from shareholder entities or other related parties or not |
| Liao Lin | 67.26 | 23.57 | – | – | 90.83 | No |
| Liu Jun | 44.84 | 15.81 | – | – | 60.65 | No |
| Wang Jingwu | 60.53 | 22.84 | – | – | 83.37 | No |
| Lu Yongzhen | – | – | – | – | – | Yes |
| Feng Weidong | – | – | – | – | – | Yes |
| Cao Liqun | – | – | – | – | – | Yes |
| Chen Yifang | – | – | – | – | – | Yes |
| Dong Yang | – | – | – | – | – | Yes |
| Zhong Mantao | – | – | – | – | – | Yes |
| Fred Zuliu Hu | – | – | 44.00 | – | 44.00 | Yes |
| Norman Chan Tak Lam | – | – | 50.33 | – | 50.33 | Yes |
| Herbert Walter | – | – | 37.67 | – | 37.67 | No |
| Murray Horn | – | – | 20.83 | – | 20.83 | Yes |
| Chen Guanting | – | – | 3.67 | – | 3.67 | No |
| Li Weiping | – | – | – | – | – | No |
| Huang Li | – | – | 5.00 | – | 5.00 | No |
| Zhang Jie | – | – | 25.00 | – | 25.00 | No |
| Liu Lanbiao | – | – | 25.00 | – | 25.00 | Yes |
| Zhang Weiwu | 60.53 | 22.84 | – | – | 83.37 | No |
| Duan Hongtao | 60.53 | 22.84 | – | – | 83.37 | No |
| Yao Mingde | 55.49 | 20.95 | – | – | 76.44 | No |
| Zhang Shouchuan | 40.35 | 15.33 | – | – | 55.68 | No |
| Song Jianhua | 102.25 | 32.98 | – | – | 135.23 | No |
| Tian Fenglin | 102.25 | 32.22 | – | – | 134.47 | No |

| Name | Remuneration from the Bank | | | | | Obtain remuneration from shareholder entities or other related parties or not |
|---|---|---|---|---|---|---|
| | Remuneration paid (before tax) (1) | Contribution by the employer to social insurance, housing allowance, annuities, and additional medical insurances (2) | Fees (3) | Other monetary income (4) | Total remuneration before tax (5)=(1)+(2)+(3)+(4) | |
| **Directors, Supervisors and Senior Management Leaving Office** | | | | | | |
| Chen Siqing | 5.60 | 1.94 | – | – | 7.54 | No |
| Anthony Francis Neoh | – | – | 13.00 | – | 13.00 | No |
| Yang Siu Shun | – | – | 31.33 | – | 31.33 | No |
| Shen Si | – | – | 44.92 | – | 44.92 | No |
| Zhang Wenwu | 15.13 | 5.63 | – | – | 20.76 | No |
| Guan Xueqing | 35.89 | 7.70 | – | – | 43.59 | No |
| Xiong Yan | 93.73 | 27.42 | – | – | 121.15 | No |

Notes: (1) Since January 2015, the remuneration to 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.

(2) During the reporting period, the total remuneration amount paid to Directors, Supervisors and Senior Management members was RMB12,972.0 thousand. According to the requirements of relevant government authorities, the total final remuneration payable to the Chairman of the Board of Directors, the President, Executive Directors and other Senior Management members is still subject to final confirmation by relevant government authorities. Additional details of remuneration will be disclosed when they have been determined.

(3) According to relevant rules of the Bank, Senior Management members of the Head Office and employees in positions that have a significant influence on the risks of the Head Office include executives of the Bank such as Chairman, Vice Chairman, Executive Director, President and Senior Executive Vice President of the Head Office, Senior Management members such as Board Secretary and Chief Business Officer, and tier-1 approver. During the reporting period, the Bank's tier-1 approvers were assumed by Mr. Wang Jingwu, Mr. Zhang Weiwu, Mr. Duan Hongtao, Mr. Yao Mingde, Mr. Zhang Shouchuan, Mr. Tian Fenglin, Mr. Zhang Wenwu and Ms. Xiong Yan concurrently. As at the disclosure date, the Senior Management members of the Head Office and the employees in positions that have a significant influence on the risks of the Head Office had not been involved in the circumstances that require the recourse and rebate of performance-based remuneration in 2024.

(4) During the reporting period, Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun, Ms. Chen Yifang, Mr. Dong Yang and Ms. Zhong Mantao did not obtain remuneration from the Bank during their tenure as Directors of the Bank.

(5) 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.

(6) As the Bank's Independent Non-executive Directors and External Supervisors served as directors or senior management of other legal persons or organizations other than the Bank or the controlled subsidiaries of the Bank, such legal persons or organizations became related parties of the Bank. During the reporting period, some Independent Non-executive Directors and External Supervisors obtained remuneration from such related parties. Except to the extent of the aforementioned circumstances, none of the Bank's Directors, Supervisors or Senior Management was paid by the Bank's related parties during the reporting period.

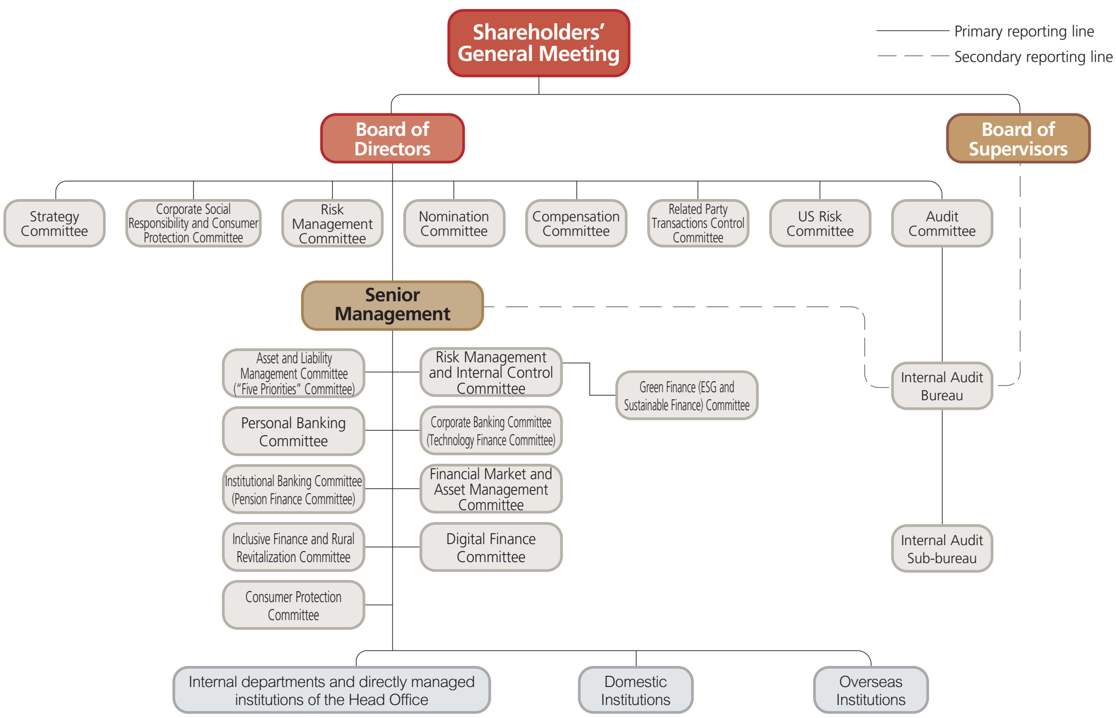
(7) For the change of the Bank's Directors, Supervisors and Senior Management, please refer to the section headed "Appointment and Removal".

# Corporate Governance Report

## Overview of Corporate Governance

During the reporting period, the Bank has always regarded the improvement of corporate governance of modern financial enterprises with Chinese characteristics as a fundamental project for achieving high-quality development in the new era, and coordinated the efforts to improve the corporate governance system, framework and mechanism. The Bank refined the corporate governance structure which was led by the Bank's Party Committee with the Board of Directors acting as the decision-making organ, the Board of Supervisors responsible for compliance supervision, and the Management in charge of operation. The Bank strengthened the top-level design of corporate governance, revised and improved the corporate governance system including the Working Rules for the Independent Directors (Version 2024) and the Administrative Measures for Shareholding and Changes in Shareholding by Directors, Supervisors and Senior Management Members (Version 2024), improved the authorization system and further enhanced the soundness and effectiveness of corporate governance of the Bank. Focusing on serving Chinese modernization and promoting high-quality development, the Board of Directors practiced the political and people-oriented nature of financial work in all respects. The Board of Directors fully, accurately, and comprehensively applied the new development philosophy, thoroughly advanced the "five transformations", implemented the State's decisions and plans and financial regulatory requirements, and continuously improved the adaptability, competitiveness and inclusiveness of financial services. The Board of Directors took solid steps to fulfill its responsibilities of strategic decisions and risk prevention and control, promoted the improvement of governance mechanisms such as risk control, remuneration incentives, and social responsibility, continued to strengthen information disclosure and transparency to protect the rights and interests of shareholders, and created better value for all stakeholders. The Board of Supervisors gave full play to its supervisory function. It focused on how the Board of Directors and the Senior Management implemented the important decisions and plans of the Party Central Committee and the State Council, national economic and financial policies and regulatory requirements, etc. The Board of Supervisors conducted supervision on duty performance, financial activities, risk management, internal control and compliance and other aspects, giving full play to its important role in corporate governance. There is no material divergence between the actual corporate governance of the Bank, relevant laws and administrative regulations, and the corporate governance-related rules issued by the CSRC.

## Corporate Governance Framework




Note: The above picture is the corporate governance framework chart of the Bank as at the end of 2024.

The Bank has made constant efforts to improve the corporate governance and checks and balances mechanism comprising the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the Senior Management featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, and to optimize the corporate governance operation mechanism comprising authority organ, decision-making organ, supervisory organ and executive organ featuring scientific decision-making, effective supervision and steady operation.

Special committees were set up under the Senior Management for the overall coordination responsibilities of the "Five Priorities" and the promotion of technology finance, green finance, inclusive finance, pension finance and digital finance correspondingly, establishing an integrated decision-making and implementation mechanism to serve the "Five Priorities", and forming a closed loop of synergizing the control and management of the "first, second and third lines of defense".

## 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 in this report, 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).

## Amendment to the Articles of Association

The Bank made no significant amendments to the Articles of Association during the reporting period.

# Shareholders' General Meeting

## Responsibilities of the Shareholders' General Meeting

As the organ of power of the Bank, the Shareholders' General Meeting involves all shareholders. The Shareholders' General Meeting is responsible for, among others, deciding on business policies and significant investment plans of the Bank; examining and approving the Bank's annual financial budget, final account proposals, plans for profit distribution and loss make-up; electing and replacing directors, supervisors appointed from the shareholder representatives and external supervisors; examining and approving work report of the Board of Directors and work report of the Board of Supervisors; and adopting resolutions on merger, division, dissolution, liquidation, change of corporate form, increase or decrease of the Bank's registered capital, issuance of corporate bonds or other securities and public listing, acquisition of the shares, issuance of preference shares and amending the Articles of Association of the Bank.

## Convening of the Shareholders' General Meeting

During the reporting period, the Bank convened one Annual General Meeting and three Extraordinary General Meetings in total. The Bank convened the First Extraordinary General Meeting of 2024 on 29 February 2024, the Annual General Meeting for the Year 2023 on 28 June 2024, the Second Extraordinary General Meeting of 2024 on 20 September 2024 and the Third Extraordinary General Meeting of 2024 on 2 December 2024. The aforementioned Shareholders' General Meetings were convened and held in compliance with relevant laws and regulations and the Articles of Association of the Bank. The Bank made announcements on the resolutions and disclosed legal opinions in a timely manner in accordance with regulatory requirements. For details of the above meetings, please refer to the announcements of the Bank dated 29 February, 28 June, 20 September and 2 December 2024 respectively on the website of the SSE, the "HKEXnews" website of the HKEX and the website of the Bank.

# Board of Directors and Special Committees

## Responsibilities of the Board of Directors

As the decision-making organ of the Bank, the Board of Directors of the Bank is accountable to, and shall report its work to, the Shareholders' General Meeting. The Board of Directors is responsible for, among others, convening the Shareholders' General Meeting; implementing the resolutions of the Shareholders' General Meeting; deciding on the Bank's business plans and investment proposals, formulating its development strategies and supervising the implementation of such strategies; formulating annual financial budget and final accounts of the Bank; formulating plans for profit distribution and loss recovery of the Bank; formulating plans for the increase or decrease of the Bank's registered capital, capital replenishment and financial restructuring of the Bank; formulating policies and basic management systems of the Bank such as risk tolerance, risk management system and internal control system, supervising the implementation of such systems, and assuming the ultimate responsibility for enterprise risk management; appointing or removing President and the Board Secretary, and appointing or removing Senior Executive Vice Presidents and other senior management members (except the Board Secretary) who shall be appointed or removed by the Board of Directors under relevant laws according to the nomination of the President and deciding on their compensation, bonus and penalty matters; deliberating the policy objectives and related matters of the Bank's fulfillment of social responsibility in respect of environmental, social, and governance (ESG); deliberating the Bank's development strategies, basic management systems, annual business plans, assessment measures and other matters related to inclusive finance; determining the Bank's consumer protection strategies, policies and objectives, and safeguarding the legitimate rights and interests of financial consumers and other stakeholders; establishing a mechanism for identifying, reviewing, and managing conflicts of interest between the Bank and shareholders, especially major shareholders; undertaking the management responsibility for shareholders' affairs; and formulating and implementing a Senior Management accountability system, and clarifying specific ways to investigate responsibilities for dereliction of duty and improper performance of duty.

## Implementation of Resolutions of the Shareholders' General Meeting by the Board of Directors

The Board of Directors of the Bank earnestly and fully implemented the resolutions reviewed and approved by the Shareholders' General Meeting during the reporting period.

## Composition of the Board of Directors

The Bank formulated relatively complete procedures for selecting, nominating and electing Directors. With diversified backgrounds, the Directors of the Bank complemented each other with regard to their expertise, professional competence, professional experience, region, gender and many other aspects, which ensured the scientific decision-making of the Board of Directors. As at the disclosure date of the results, the Board of Directors of the Bank consisted of 15 Directors, including three Executive Directors: Mr. Liao Lin, Mr. Liu Jun and Mr. Wang Jingwu; six Non-executive Directors: Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun, Ms. Chen Yifang, Mr. Dong Yang and Ms. Zhong Mantao; and six Independent Non-executive Directors: Mr. Fred Zuliu Hu, Mr. Norman Chan Tak Lam, Mr. Herbert Walter, Mr. Murray Horn, Mr. Chen Guanting and Mr. Li Weiping. The Board of Directors has reviewed the implementation and effectiveness of its board diversity policy. The members of the Board of Directors have included three female directors, all of whom have contributed to the scientific and efficient decision-making of the Board of Directors by offering a unique female perspective. In the future, the Bank will take full account of the gender composition of candidates in the selection of Directors in accordance with relevant policies for the diversified backgrounds of Directors, in order to further improve the gender diversity of members of the Board of Directors.

The Executive Directors of the Bank have worked in the areas of banking and management for a long time, possess extensive professional expertise and experience in those areas and are familiar with the operation and management of the Bank. Non-executive Directors have worked in the fiscal, economic, financial and governing sectors for many years, and they have rich practical experience and a relatively high level of understanding of policies and theories. All of the Independent Non-executive Directors are prestigious Chinese or foreign experts in their respective areas, e.g. economy, financial supervision, finance, audit and law, and they are familiar with Chinese and foreign regulatory rules and have a good knowledge of corporate governance, finance and bank management. The number of Independent Non-executive Directors of the Bank accounted for more than one-third of the total members of the Board of Directors, complying with relevant regulatory requirements.

## Chairman and President

Pursuant to Code Provision C.2.1 of the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules) and the Articles of Association of the Bank, the roles of Chairman and President should be held by two persons, and the Chairman shall not concurrently hold the position of legal representative or chief responsible officer of the controlling shareholder. The President is appointed by and accountable to the Board of Directors, and performs his responsibilities as stipulated in the Articles of Association of the Bank and as authorized by the Board of Directors.

As at the end of the reporting period, Mr. Liao Lin is the legal representative and Chairman of the Bank, and is responsible for leading the Board of Directors in considering and formulating business development strategies, risk management, internal control and other significant matters of the Bank. Mr. Liu Jun is the President of the Bank, and is responsible for the daily management of the business operations of the Bank.

On 1 February 2024, Mr. Chen Siqing resigned as Chairman of the Bank due to his age. The Board of Directors elected Mr. Liao Lin as Chairman of the Bank. Due to change of job assignments, Mr. Liao Lin resigned as President of the Bank on the same day. In order to ensure the smooth operation and management of the Bank, Mr. Liao Lin, according to the regulation and the Articles of Association, shall perform the duties and powers of the President up to the date on which the new President of the Bank officially takes office. Mr. Liao Lin's qualification as Chairman of the Bank was approved by the NFRA in February 2024. Mr. Liu Jun took office as President of the Bank on 22 May 2024, on which Mr. Liao Lin ceased to serve as President in an acting capacity.

## Meetings of the Board of Directors

During the reporting period, the Board of Directors of the Bank held 13 meetings on 1 February, 29 February, 27 March, 29 April, 22 May, 13 June, 28 June, 7 August, 30 August, 24 September, 30 October, 25 November and 18 December 2024, respectively. At these meetings, the Board of Directors reviewed 93 proposals, and heard 25 reports.

With a focus on "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, the Board of Directors actively implemented existing and incremental policies, stepped up financial services for the "Major Strategies, Key Fields and Weak Links" and ensured the Bank played the main force and ballast stone roles in consolidating and strengthening the momentum of economic recovery. It also continued to strengthen capital management, further promoted the Group's transformation and kept cementing the foundation for the Bank's service for the real economy and its own steady development. The Board of Directors reviewed the proposals including the 2024 business plan, the report on capital adequacy ratio management and internal capital adequacy assessment in 2023, adjustments to functions of the Pension Business Department of the Head Office and establishment of the Data Management Department of the Head Office, heard the reports on the annual, interim and quarterly operating results and the priorities of the Board of Directors in 2024, and urged the Management to keep making new progress in business development.

The Board of Directors ensured both development and security, and continuously improved the enterprise risk management systems and mechanisms. It revised the Regulations on the Operational Risk Management and the Country Risk Management Policy and other relevant rules, reviewed proposals including the 2023 Risk Appetite Assessment and Risk Management Report, the Liquidity Risk Management Strategy for 2024, the 2023 Management Report of Interest Rate Risk in the Banking Book of the Group and the Management Strategy for 2024, and supervised and guided the Management to strengthen "active prevention, smart control and comprehensive management", so as to manage risks in a more active and forward-looking manner and ensure high-quality development with high-standard security.

The Board of Directors continued to deepen the ESG governance. It considered proposals on the 2023 Corporate Social Responsibility Report (ESG report), the Inclusive Finance Business Operation Plan for 2024, the Report on the Implementation of Green Finance in Recent Two Years, the 2023 Profit Distribution Plan, the 2024 Interim Profit Distribution Plan, the Consumer Protection in 2023 and Its Work Plan for 2024, and the Limit for External Donations in 2024, pushed the Bank to take effective steps to protect the rights and interests of stakeholders and kept improving the social and environmental wellbeing.

For major proposals reviewed by the Board of Directors, 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.

The attendance of each of the Directors in Shareholders' General Meetings and meetings of the Board of Directors and the special committees of the Board of Directors during the reporting period is set out below:

Attendances in person/Number of meetings that should be attended

| | | | Special Committees of the Board of Directors | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Directors | Shareholders' General Meeting | Board of Directors | Strategy Committee | Corporate Social Responsibility and Consumer Protection Committee | Audit Committee | Risk Management Committee | Nomination Committee | Compensation Committee | Related Party Transactions Control Committee | US Risk Committee |
| **Executive Directors** | | | | | | | | | | |
| Liao Lin | 4/4 | 12/13 | 7/8 | 2/2 | – | – | 4/4 | – | – | – |
| Liu Jun | 2/2 | 7/7 | 5/5 | 1/1 | – | – | 4/4 | – | – | – |
| Wang Jingwu | 4/4 | 12/13 | – | – | – | 4/7 | – | – | 2/5 | 3/4 |
| **Non-executive Directors** | | | | | | | | | | |
| Lu Yongzhen | 4/4 | 13/13 | 8/8 | – | – | 7/7 | – | 5/5 | – | 4/4 |
| Feng Weidong | 4/4 | 13/13 | – | – | 10/10 | 7/7 | 8/8 | – | – | 4/4 |
| Cao Liqun | 4/4 | 12/13 | – | 3/3 | 10/10 | 7/7 | – | – | – | 3/4 |
| Chen Yifang | 4/4 | 13/13 | 8/8 | 3/3 | – | – | – | 5/5 | – | – |
| Dong Yang | 4/4 | 13/13 | 8/8 | – | – | 7/7 | – | – | – | 4/4 |
| Zhong Mantao | 1/1 | 3/3 | 2/2 | – | 1/1 | – | – | – | 1/1 | – |
| **Independent Non-executive Directors** | | | | | | | | | | |
| Fred Zuliu Hu | 4/4 | 12/13 | 7/8 | – | 9/10 | – | 6/8 | 4/5 | – | – |
| Norman Chan Tak Lam | 4/4 | 13/13 | 8/8 | – | 10/10 | 7/7 | 6/6 | 4/4 | – | 4/4 |
| Herbert Walter | 3/3 | 11/11 | 7/7 | 2/2 | 8/8 | – | – | 4/4 | 4/4 | – |
| Murray Horn | 2/2 | 5/5 | 4/4 | – | – | 2/2 | 3/3 | 2/2 | 2/2 | 2/2 |
| Chen Guanting | 1/1 | 1/1 | – | – | – | – | – | – | 1/1 | 1/1 |
| Li Weiping | – | – | – | – | – | – | – | – | – | – |
| **Directors Leaving Office** | | | | | | | | | | |
| Chen Siqing | 0/0 | 1/1 | 1/1 | – | – | – | – | – | – | – |
| Anthony Francis Neoh | 1/1 | 2/2 | 1/1 | – | 2/2 | 2/2 | 2/2 | 1/1 | – | 0/0 |
| Yang Siu Shun | 2/2 | 6/8 | – | – | 6/8 | 4/5 | 4/5 | – | 3/3 | 1/2 |
| Shen Si | 3/3 | 11/12 | – | – | 9/10 | 7/7 | – | 5/5 | 4/4 | 3/3 |

Notes: (1) "Attendances in person" refers to attending meetings in person or on telephone or by video conference.

(2) Directors who did not attend the meetings of the Board of Directors and its special committees in person appointed other directors to attend the meetings and exercise the voting rights on their behalf.

(3) For the change of directors, please refer to the section headed "Directors, Supervisors and Senior Management — Appointment and Removal".

## Special Committees of the Board of Directors

### *Special Committees of the Board of Directors*

The Board of Directors of the Bank has established eight special committees, namely, the Strategy Committee, the Corporate Social Responsibility and Consumer Protection Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Compensation Committee, the Related Party Transactions Control Committee and the US Risk Committee. Except for the Strategy Committee and the Corporate Social Responsibility and Consumer Protection Committee, chairmen of all the other committees are assumed by Independent Non-executive Directors. More than half of the members of the Audit Committee, the Nomination Committee, the Compensation Committee and the Related Party Transactions Control Committee are Independent Non-executive Directors.

As at the disclosure date of the results, the composition of special committees of the Board of Directors of the Bank is as follows:

| | Special Committees under the Board of Directors | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Directors | Strategy Committee | Corporate Social Responsibility and Consumer Protection Committee | Audit Committee | Risk Management Committee | Nomination Committee | Compensation Committee | Related Party Transactions Control Committee | US Risk Committee |
| Liao Lin | Chairman | | | | | | | |
| Liu Jun | Committee Member | Chairman | | | Committee Member | | | |
| Wang Jingwu | | | | Committee Member | | | Committee Member | Committee Member |
| Lu Yongzhen | Committee Member | | | Committee Member | | Committee Member | | Committee Member |
| Feng Weidong | | | Committee Member | Committee Member | Committee Member | | | Committee Member |
| Cao Liqun | | Committee Member | Committee Member | Committee Member | | | | Committee Member |
| Chen Yifang | Committee Member | Committee Member | | | | Committee Member | | |
| Dong Yang | Committee Member | | | Committee Member | | | | Committee Member |
| Zhong Mantao | Committee Member | Committee Member | Committee Member | | | | Committee Member | |
| Fred Zuliu Hu | Committee Member | | Committee Member | | Chairman | Committee Member | | |
| Norman Chan Tak Lam | Committee Member | | Committee Member | Chairman | Committee Member | Committee Member | | Chairman |
| Herbert Walter | Committee Member | Committee Member | Committee Member | | | Chairman | Committee Member | |
| Murray Horn | Committee Member | | | Committee Member | Committee Member | Committee Member | Chairman | Committee Member |
| Chen Guanting | | | Chairman | Committee Member | | | Committee Member | Committee Member |
| Li Weiping | Committee Member | | Committee Member | | Committee Member | Committee Member | Committee Member | |

During the reporting period, the performance of duties by the special committees of the Board of Directors is set out below:

| | |
|---|---|
| **Strategy Committee** | **Primary Responsibilities of the Strategy Committee** The Strategy Committee is mainly responsible for considering the Bank's strategic development plan, risk events that bear material influence on the overall situation, annual financial budget and final account, strategic capital allocation and asset and liability management objectives, significant institution restructuring and adjustment plan, major investment and financing proposal, merger and acquisition proposal, strategic development plan for domestic and overseas branches and institutions, strategic development plan for human resources, IT development and other special strategic development plans, strategic arrangements for social responsibility and annual corporate social responsibility report (ESG report), etc., and making recommendations to the Board of Directors. The Strategy Committee is also responsible for planning on the overall development of various financial businesses, and examining and assessing the soundness of the corporate governance framework.<br><br>**Performance of the Strategy Committee** During the reporting period, the Strategy Committee held eight meetings on 1 February, 27 March, 29 April, 28 June, 30 August, 24 September, 30 October and 18 December 2024, respectively. At these meetings, the Strategy Committee reviewed 28 proposals, and heard four reports. The Strategy Committee paid attention to major strategic issues, reviewed the annual fixed assets investment budget, audited accounts, report on capital adequacy ratio management and internal capital adequacy assessment, profit distribution plan, financial bond issuance plan and working rules for the independent directors, establishment of the Data Management Department of the Head Office and other proposals to promote the Bank's high-quality development. |
| **Corporate Social Responsibility and Consumer Protection Committee** | **Primary Responsibilities of the Corporate Social Responsibility and Consumer Protection Committee** The Corporate Social Responsibility and Consumer Protection Committee is mainly responsible for hearing and considering the Bank's policy, target and issues related to the performance of corporate social responsibility in respect of environmental, social and governance (ESG), rural revitalization services, the Bank's corporate culture construction, etc., and understanding the Bank's fulfillment of social responsibility. The committee is responsible for studying major issues and important policies related to the Bank's consumer protection, guiding and pushing forward the establishment and improvement of a management system for consumer protection, and reviewing and supervising the implementation of the Bank's consumer protection strategies, policies, targets, and work reports. The committee shall also consider the Bank's policies and targets, such as green finance strategies, climate risk management and green bank construction, as well as the development strategy, basic management system, annual business plan and assessment method of inclusive finance.<br><br>**Performance of the Corporate Social Responsibility and Consumer Protection Committee** During the reporting period, the Corporate Social Responsibility and Consumer Protection Committee held three meetings on 1 February, 29 April and 30 August 2024, respectively. At these meetings, the Corporate Social Responsibility and Consumer Protection Committee reviewed four proposals and heard two reports. It actively urged the Bank to perform social responsibilities, considered the proposals on the annual limit for external donations, etc., providing continuous support for charity and other public-interested activities. The committee focused on the business development of green finance and inclusive finance, and considered the proposals on the 2024 annual business plan for inclusive finance and the report on the implementation of green finance in the recent two years. The committee focused on consumer protection, considered the proposal on the consumer protection in 2023 and its work plan for 2024, and heard the report on consumer protection work for the first half of 2024. |

**Audit Committee**

**Primary Responsibilities of the Audit Committee** The Audit Committee is mainly responsible for constantly overseeing the Bank's internal control system, and supervising, inspecting and evaluating financial information and internal audit of the Bank, proposing the engagement or replacement of external auditors, reviewing the reports of external auditors, and coordinating the communication between the internal audit departments and external auditors, and assessing mechanisms for the Bank's staff to report misconducts in financial statements, internal control, etc., and assessing the mechanism for the Bank to conduct independent and fair investigations and take appropriate actions in relation to the reported matters.

**Performance of the Audit Committee** During the reporting period, the Audit Committee held 10 meetings on 31 January, 29 February, 27 March, 29 April, 22 May, 13 June, 27 June, 7 August, 29 August and 29 October 2024, respectively. At these meetings, the Audit Committee reviewed 11 proposals, and heard 16 reports. The Audit Committee oversaw and guided the Bank's continuous improvements in the internal control system, reviewed the proposal on the Bank's annual internal control assessment report, heard reports on internal control audit results, and promoted continuous improvements in compliant operation of the Group. It supervised and guided the Bank's work on internal and external audits to ensure its well-ordered implementation, considered proposals on periodic reports, pillar 3 disclosure report of capital management, engagement of external auditor for 2024, and internal audit project plan for 2024, and heard reports on annual internal audit work and evaluation of external auditors' performance. By strengthening the synergy of internal and external audits, the Audit Committee helped improve the quality and efficiency of the Bank's business development.

- Reviewing periodic reports

The Audit Committee periodically reviewed the financial reports of the Bank. It had reviewed the annual report, interim report and quarterly reports of the Bank and reported the review opinions to the Board of Directors. It also organized and conducted an internal control assessment of the Group and engaged external auditors to audit the effectiveness of the internal control over financial reporting in accordance with the relevant regulatory requirements. Additionally, it strengthened collaboration with external auditors, placed emphasis on overseeing of external auditors and heard several reports of external auditors concerning audit results, and management recommendations etc.

During the preparation and audit of the 2024 financial statements, the Audit Committee discussed and agreed with the external auditors on matters such as audit schedule and progress arrangement, tracked the status of external audit and conducted supervision over relevant work at the appropriate time by means of hearing reports and holding informal discussions, and reviewed the unaudited and initial-audit annual financial statements respectively. The Audit Committee held a meeting on 27 March 2025, and considered that the 2024 financial statements truly, accurately and completely reflected the financial position of the Bank.

- Examining internal control system

The Audit Committee is responsible for constantly monitoring and examining the internal control system of the Bank, and examining the effectiveness of the system at least on an annual basis. The Audit Committee performed its function of examining the Bank's internal control system through reviewing the administrative rules and policies and their implementation, and examined and assessed the compliance and effectiveness of major operating activities of the Bank.

The Board of Directors of the Bank is responsible for establishing, improving and effectively implementing internal control, assessing its effectiveness and truthfully disclosing internal control assessment reports according to the standard system for enterprise internal control. The objective of the internal control of the Bank is to reasonably assure the compliance of its operation and management with relevant laws, safety of its assets, as well as the authenticity and completeness of its financial reports and relevant information, in order to enhance operation efficiency and effectiveness, and to facilitate the realization of its development strategy. Due to inherent limitation of internal control, only reasonable assurance can be provided for the aforementioned objectives. The Board of Directors and the Audit Committee have reviewed and approved the 2024 Internal Control Assessment Report of the Bank. For details of the Bank's internal control, please refer to the section headed "Corporate Governance Report — Internal Control".

- Effectiveness of the internal audit function

The Bank has established a vertical and independent internal audit management system that is accountable to and reports work to the Board of Directors. The Board of Directors regularly reviews the internal audit plan and hears internal audit reports on internal audit activities, audit supporting measures, internal audit team building, etc., thus performing the function of risk management. The Audit Committee examines, monitors and assesses the internal audit work of the Bank, supervises the internal audit rules and their implementation, and evaluates audit procedures and results of the internal audit department. It is also responsible for urging the Bank to ensure adequate resources for the internal audit department and coordinating the communication between the internal audit department and external auditors. The internal audit department is accountable to and reports to the Board of Directors, is guided by the Board of Supervisors and is under the examination, supervision and assessment of the Audit Committee. For details of the internal audit, please refer to the section headed "Corporate Governance Report — Internal Audit".

**Risk Management Committee**

**Primary Responsibilities of the Risk Management Committee** The Risk Management Committee is primarily responsible for reviewing and revising the Bank's risk strategy, risk management policy, risk appetite, enterprise risk management framework and internal control process, and supervising and assessing its implementation progress and results. The committee is also responsible for continuously monitoring the Bank's risk management system, monitoring and evaluating the setup, mode of organization, working procedures and results of risk management departments, supervising and assessing the Senior Management members' control of strategy risk, credit risk, market risk, operational risk (case prevention), liquidity risk, compliance risk, reputational risk, IT risk, interest rate risk in banking book, country risk and other risks, and putting forward suggestions on the improvement in risk management and internal control of the Bank; clarifying the requirements for risk data and reporting, making sure that risk reporting is compatible with the Bank's business pattern, risk status and internal management needs etc., and proposing improvement requirements to the Senior Management when risk data and reporting cannot meet requirements.

**Performance of the Risk Management Committee** During the reporting period, the Risk Management Committee held seven meetings on 31 January, 29 February, 26 March, 29 April, 7 August, 29 August and 29 October 2024, respectively. At these meetings, the Risk Management Committee reviewed 17 proposals, and heard four reports. The Risk Management Committee continuously urged the Bank to strengthen enterprise risk management. It further advanced the risk management system, considered proposals on the 2023 Risk Appetite Assessment and Risk Management Report, the 2023 Management Report of Interest Rate Risk in the Banking Book of the Group and Management Strategy for 2024, 2024 Liquidity Risk Management Strategy, Consolidated Management of the Group in 2023 and Consolidated Management Plan for 2024, the Compliance Risk and Anti-Money Laundering Management of the Group in 2023, and revision of the regulations on the operational risk management and the country risk management policy. The Risk Management Committee supported the Management in forestalling and defusing risks in key fields in a steady and orderly manner and continued to improve the enterprise risk management system.

- Examining the risk management system

The Risk Management Committee is responsible for constantly monitoring and examining the risk management system of the Bank, and examining the effectiveness of the system at least on an annual basis. Under the enterprise risk management system structure of the Bank, the Risk Management Committee performed its function of examining the Bank's risk management system through reviewing and revising the risk strategy, risk management policy, risk appetite, the enterprise risk management structure and internal control process, monitoring and evaluating the setup, mode of organization, working procedures and results of risk management departments, regularly assessing the risk policy, risk appetite and enterprise risk management status, supervising and assessing risk control activities conducted by the Senior Management members in terms of credit risk, market risk, operational risk (case prevention), liquidity risk, compliance risk, reputational risk, IT risk, interest rate risk in the banking book, country and climate risk, model risk and other new risks. For details of risk management, please refer to the section headed "Discussion and Analysis — Risk Management".

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| **Nomination Committee** | **Primary Responsibilities of the Nomination Committee** The Nomination Committee is mainly responsible for making recommendations to the Board of Directors on candidates for Directors and Senior Management members, nominating candidates for chairmen and members of special committees of the Board of Directors, formulating the standards and review procedures for selection and appointment of Directors and Senior Management members, and hearing the training and development plans for Senior Management members and key reserved talents. The Nomination Committee is also responsible for assessing the structure, size and composition of the Board of Directors and making recommendations to the Board of Directors based on the Bank's development strategy.<br><br>The Articles of Association of the Bank specifies procedures and methods to nominate Directors. Please refer to Article 118 of the Articles of Association. During the reporting period, the Bank appointed and renewed the appointments of Directors of the Bank in strict accordance with the Articles of Association of the Bank. The Nomination Committee reviews the qualifications of candidates for Directors based on whether the candidate complies with applicable laws, administrative rules, regulations and the Articles of Association of the Bank. The Bank attached importance to diversified sources and backgrounds of Directors and continued the efforts to enhance the professionalism of the Board of Directors, thus laying the foundation for the effective operation and scientific decision-making of the Board of Directors. According to the requirement on diversified composition of the Board of Directors in the Rules for Recommendation and Nomination of Board Candidates of the Bank, the Nomination Committee shall pay attention to the complementarity of the candidates in terms of expertise, professional competence and experience, cultural and educational background, gender, etc., to ensure the members of the Board of Directors are well equipped, experienced and have diversified perspectives and views. In order to implement the diversity policy, the Nomination Committee discusses and designs measurable goals according to actual conditions and assesses the improvement of diversified composition of the Board of Directors during the course of its yearly assessment on the framework, number of Directors and composition of the Board of Directors. As at the disclosure date of the results, there were six Independent Non-executive Directors, accounting for more than one third of the total members of the Board of Directors.<br><br>**Performance of the Nomination Committee** During the reporting period, the Nomination Committee held eight meetings on 1 February, 29 February, 29 April, 22 May, 7 August, 30 August, 30 October and 18 December 2024, respectively. Through these meetings, the Nomination Committee reviewed 21 proposals including the proposals on the nomination of Chairman, advising the election of Vice Chairman, advising the nomination of the candidates for directors, advising the appointment of President, advising the appointment of Senior Executive Vice President, advising the appointment of Board Secretary and suggestions on changes to the Chairman and members of some of the special committees of the Board of Directors. The Nomination Committee promoted the change of directors and appointment of Senior Management members in an orderly manner according to governance needs and adjusted the composition of special committees of the Board of Directors in a timely manner. |

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| Compensation Committee | **Primary Responsibilities of the Compensation Committee** The Compensation Committee is mainly responsible for formulating assessment rules of the Board of Directors on the performance of duties and compensation plans for Directors, organizing the assessment of the Board of Directors on the performance of duties of Directors, putting forth the proposal on remuneration distribution for Directors, formulating and reviewing the assessment measures and compensation plans for Senior Management members of the Bank and evaluating the performance and behaviors of Senior Management members.<br><br>**Performance of the Compensation Committee** During the reporting period, the Compensation Committee held five meetings on 31 January, 27 June, 7 August, 29 August and 29 October 2024, respectively. At these meetings, the Compensation Committee reviewed six proposals including the proposals on the payment plan of remuneration to Directors and Senior Management members for 2023, the Senior Management performance evaluation plan for 2024 and the purchase of liability insurance for directors, supervisors and senior management members for 2024-2025, and heard the 2023 assessment report on the performance of duties of Directors by the Board of Directors. The Compensation Committee, in accordance with regulatory requirements, drafted the remuneration plan for directors and senior managers, further improved the performance evaluation indicators and kept refining the incentive and constraint mechanism of the Bank. |
| Related Party Transactions Control Committee | **Primary Responsibilities of the Related Party Transactions Control Committee** The Related Party Transactions Control Committee is mainly responsible for developing the basic policies governing the management of related party transactions, identifying the Bank's related parties; approving related party transactions and other related matters within the authority granted by the Board of Directors; receiving related party transaction statistics for filing purpose; reviewing the related party transactions that are subject to the approval of the Board of Directors or the Shareholders' General Meeting; and reporting to the Board of Directors on the implementation of the related party transaction management policies as well as the conditions on these transactions.<br><br>**Performance of the Related Party Transactions Control Committee** During the reporting period, the Related Party Transactions Control Committee held five meetings on 31 January, 26 March, 29 April, 29 August and 18 December 2024, respectively. At these meetings, the Related Party Transactions Control Committee reviewed and approved four proposals including the proposal on identification of related parties of the Bank, and heard the special report on related party transactions in 2023. The Related Party Transactions Control Committee urged the Bank to strengthen the management of related parties and related party transactions, and assisted the Board of Directors in ensuring the Bank's work on related parties and related party transactions are carried out in compliance with laws and regulations. |

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| US Risk Committee | **Primary Responsibilities of the US Risk Committee** In accordance with the relevant requirements in the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations established by the Federal Reserve Board, the US Risk Committee supervised the implementation of the US business-related risk management framework and relevant policies.<br>**Performance of the US Risk Committee** During the reporting period, the US Risk Committee held four meetings on 26 March, 27 June, 29 August and 18 December 2024, respectively. At these meetings, the US Risk Committee reviewed three proposals, and heard 11 reports. It attached importance to and strengthened the risk and compliance management of overseas institutions, reviewed the proposals including the risk management framework, revision of risk appetite and risk management in the US, and the liquidity stress testing, funding contingency plans, key business lines and product liquidity risks in the US, heard the reports on the risk management and liquidity risk management in the US, assisted the Board of Directors in continuously enhancing risk management of overseas institutions, and promoted the Bank to continuously strengthen compliance and risk prevention and control in international operation. |

## Term of Directors

In accordance with the Articles of Association of the Bank, Directors are elected by the Shareholders' General Meeting with a term of three years, and the appointment shall take effect from the date of approval by the NFRA or upon completion of relevant procedures according to the requirements of the NFRA. Directors may be re-appointed through re-election at the Shareholders' General Meeting after expiration of their term.

## Responsibilities of Directors in Respect of Financial Statements

The Directors of the Bank acknowledged that they are responsible for the preparation of the financial statements of the Bank. During the reporting period, in strict compliance with relevant provisions, the Bank published the 2023 Annual Report, the First Quarterly Report of 2024, the 2024 Interim Report and the Third Quarterly Report of 2024 as scheduled.

## Investigation and Training of Directors

During the reporting period, Directors of the Bank proactively conducted surveys on departments, branches and subsidiaries of the Bank concerning such topics as financial support for practice and exploration of sci-tech innovation, major issues to be addressed in building the Bank into a world-class financial institution, the significance and practice of digital finance, strengthening the market capitalization management of large state-owned commercial banks, the effectiveness of implementing structural monetary policy tools, contribution to the development of the west region and the Yellow River Basin ecological conservation, international business development and risk prevention and control, service for China's high-level opening-up, high-quality development of the Belt and Road, and the operation and management of the Bank's branches and affiliates. In the form of research reports, such investigations provide the Bank with constructive insights and recommendations.

During the reporting period, the Bank implemented comprehensive training programs for Directors, continuously enhanced training resources, and actively expanded the channels and forms of training for Directors, with the aim of supporting Directors in continuously improving their performance capabilities. Directors of the Bank attended relevant trainings according to work needs. The topics of the trainings attended by the Directors of the Bank during the reporting period were mainly as follows:

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| **External trainings** | **The Listed Companies Association of Beijing:**<br>Training on investor protection and investor relations<br>Training on new quality productive forces and high-quality development<br>Training on the new Nine-Point Guideline and 1+N Policy System<br>Training on information disclosure<br>Training on financial frauds<br>Training on honesty and integrity<br>Training on market capitalization management<br>**CSRC Beijing Bureau:**<br>Training on reform of the independent director system<br>**Shanghai Stock Exchange:**<br>Follow-on training for independent directors of listed companies (fourth session of 2024)<br>Training on key elements of anti-fraud duty performance of independent directors of listed companies and recommendations |
| **Internal trainings** | Anti-money Laundering training<br>Training on business lines, including enhancement of international operation and management capabilities |

## Training of Board Secretary

During the reporting period, the Board Secretary of the Bank attended the relevant specialized training sessions, with the training hours over 15 hours, which met relevant regulatory requirements.

## Independence and Performance of Duties of Independent Non-executive Directors

The Bank conducted the appointment of Independent Non-executive Directors in strict accordance with the relevant regulatory rules, the Articles of Association of the Bank and other provisions. The qualifications, number and proportion of the Bank's Independent Non-executive Directors comply with regulatory requirements.

The Bank's Independent Non-executive Directors do not have any business or financial interests in the Bank or its subsidiaries, and they have not assumed any managerial position in the Bank. The Bank has received the annual confirmation on independence from all Independent Non-executive Directors and considered that they were independent.

During the reporting period, the Bank's Independent Non-executive Directors earnestly attended the meetings of the Board of Directors and special committees, gave independent opinions on the issues for consideration, and put forward suggestions in terms of working hard on the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, reinforcing risk control and compliance management, deepening the D-ICBC development and enhancing the capability of international operation, etc. In accordance with the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules), Independent Non-executive Directors and the Chairman of the Board of Directors held discussions without the participation of other Directors to share insights into the current economic and financial conditions, implementation of the Bank's strategic development plan during the 14th Five-Year Plan period and future trends of the banking industry. Meanwhile, Independent Non-executive Directors actively attended various meetings, symposia, surveys, trainings and other activities of the Bank, to gain a deep understanding of the Bank's FinTech risk management, international business risk management, operation and development plan for overseas institutions, transformation and development of the intermediary services and operation and management of domestic and overseas branches. Independent Non-executive Directors proposed a number of actionable insights in each of the performance activities, which have been highly valued by the Bank and implemented according to the actual conditions.

During the reporting period, the Bank's Independent Non-executive Directors did not raise any objection to proposals of the Board of Directors and special committees of the Board of Directors.

For the details on performance of duties of Independent Non-executive Directors of the Bank during the reporting period, please refer to the Work Report of Independent Directors for 2024 released by the Bank on 28 March 2025.

## Board of Supervisors

### Responsibilities of the Board of Supervisors

As the supervisory organ of the Bank, the Board of Supervisors is accountable to, and shall report its work to, the Shareholders' General Meeting. The Board of Supervisors is responsible for, among others, supervising the Board of Directors to establish the prudent business vision and value criteria, and formulating a development strategy in line with the actual situation of the Bank; assessing the soundness, rationality and prudence of the Bank's development strategy, and forming assessment reports; formulating measures for assessing the performance of duties of the Board of Directors, Senior Management members and Supervisors, and supervising and assessing the performance of duties of the Board of Directors, Senior Management members and Supervisors; conducting leave audits towards Directors and Senior Management personnel when necessary; inspecting and supervising financial activities of the Bank; examining financial information such as financial accounting report, business report and profit distribution plan to be submitted to the Shareholders' General Meeting by the Board of Directors; inspecting and supervising the business decision-making, risk management and internal control of the Bank, and urging the remedial actions; nominating Shareholder Supervisors, Employee Supervisors, External Supervisors, and Independent Directors; supervising the selection and appointment of Directors; supervising the implementation of the Bank's remuneration management policy and the soundness and rationality of the remuneration plan for Senior Management members; formulating remuneration plan for Supervisors and submitting it to the Shareholders' General Meeting for review and decision; supervising the engagement, dismissal, renewal of the Bank's external auditing institution, and its auditing work, and guiding and supervising the internal audit work of the Bank; raising proposals to the Shareholders' General Meeting; proposing to convene an extraordinary general meeting of shareholders, and convening and presiding over the extraordinary general meeting of shareholders in case the Board of Directors fails to perform its duty of convening Shareholders' General Meeting; and proposing to convene an interim meeting of the Board of Directors, etc.

### Composition of the Board of Supervisors

As at the disclosure date of the results, the Board of Supervisors of the Bank consisted of three members, including one Employee Supervisor, namely Mr. Huang Li; and two External Supervisors, namely Mr. Zhang Jie and Mr. Liu Lanbiao.

### Meetings of the Board of Supervisors

During the reporting period, the Board of Supervisors held eight meetings, reviewed 19 proposals including the 2023 Work Report of the Board of Supervisors, the Report on Performance Evaluation and the Report on the Assessment Opinions about the Development Strategy, heard 31 reports including the quarterly results, implementation of strategy planning and risk management of the Bank, and reviewed 46 special reports including the quarterly supervision, special survey reports of the Board of Supervisors and the implementation of supervision suggestions of the Board of Supervisors in 2024.

Attendance of Supervisors of the Bank in meetings during the reporting period was as follows:

Attendances in person/Number of meetings that should be attended

| Supervisor | Shareholders' General Meeting | Board of Supervisors |
|---|---|---|
| Huang Li | 3/4 | 7/8 |
| Zhang Jie | 4/4 | 8/8 |
| Liu Lanbiao | 4/4 | 8/8 |

Notes: (1) "Attendances in person" refers to attending meetings in person or on telephone or by video conference.

(2) Supervisors who did not attend the meetings of the Board of Supervisors in person appointed other supervisors to attend the meetings and exercise the voting right on their behalf.

## 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.

## Senior Management

### Responsibilities of the Senior Management

As the executive organ of the Bank, the Senior Management is accountable to the Board of Directors. The Senior Management is responsible for, among others, the operation and management of the Bank; organizing the implementation of operation and investment plans approved by the Board of Directors; formulating specific rules and regulations of the Bank; determining plans for compensation distribution and performances evaluation of persons in charge of internal departments and branches of the Bank (except for the internal audit department); truthfully reporting to the Board of Directors or the Board of Supervisors on the business performance; drafting the annual financial budget plan, final account plan, profit distribution plan and loss recovery plan, plans for increase or reduction of the registered capital, the issuance of bonds or other securities and listing, and making suggestions in that respect to the Board of Directors.

### Powers and Functions of the Senior Management

The powers of the Board of Directors and the Senior Management are separated in strict compliance with the Articles of Association and other corporate governance documents of the Bank. During the reporting period, the Bank made an inspection on the implementation of the plan on authorization of the Board of Directors to the President, and no matter was found to be beyond the approval authority of the President.

## Shareholders' Rights

### Proposing the Convening of an Extraordinary General Meeting

An extraordinary general meeting should be convened within two (2) months from the date when shareholders holding more than ten percent (10%) of the voting shares of the Bank, either individually or jointly, request to convene in writing. Proposing shareholders shall have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall make a written response as to whether or not it agrees to convene such a meeting within ten (10) days upon receipt of the request in accordance with laws, administrative regulations, rules and the Articles of Association of the Bank. Reasonable expenses incurred from the case where shareholders convene the meeting by themselves due to the failure of the Board of Directors to convene the meeting shall be borne by the Bank, and deducted from the payment to those negligent directors.

### Submitting Interim Proposals for the Shareholders' General Meeting

According to the Articles of Association of the Bank, shareholders with the right to make proposals may prepare an interim proposal and submit it in writing to the Board of Directors ten (10) days before the convening of Shareholders' General Meetings. The Board of Directors shall issue a supplementary notice for the Shareholders' General Meeting within two (2) days upon receipt of the proposal and submit such proposal to the Shareholders' General Meeting for approval.

### Putting Forward Suggestions and Reviewing Documents

Shareholders are entitled to supervise business operation of the Bank and put forward suggestions or inquiries accordingly. Shareholders are entitled to review the information of the Bank such as the Articles of Association, the register of shareholders, documents on the status of share capital and minutes of Shareholders' General Meetings, etc.

### Special Provisions on Rights of Preference Shareholders

In the following circumstances, preference shareholders of the Bank have the right to attend the Shareholders' General Meeting and exercise voting rights: (1) amendments to the Articles of Association which relate to preference shares; (2) the reduction of the registered capital of the Bank by more than 10% (either separately or in aggregate); (3) merger, division and dissolution or change of corporate form of the Bank; (4) issuance of preference shares; and (5) other events specified in the Articles of Association that will change or abrogate the rights of preference shareholders. If any of the above circumstances occurs, the notice of a Shareholders' General Meeting shall be given to preference shareholders in accordance with the notification procedures applicable to ordinary shareholders as specified in the Articles of Association.

In the event that the Bank fails to pay the agreed dividend to preference shareholders for three years in aggregate or for two consecutive years, from the next day following the date of approval of the proposal not paying the agreed dividend for the current year by the Shareholders' General Meeting, preference shareholders shall be entitled to attend and vote (together with ordinary shareholders) at the Shareholders' General Meeting. For preference shares the dividend of which is non-cumulative, the voting rights shall be temporarily restored until the full payment of the agreed dividend for the current year by the Bank.

### Other Rights

Ordinary shareholders of the Bank have the right to collect dividends and other forms of benefits distributed on the basis of the number of shares held by them; preference shareholders shall be entitled to rights to dividends in priority to payment of dividends to ordinary shareholders. Shareholders have other rights conferred by laws, administrative regulations, rules and the Articles of Association of the Bank.

## Inside Information Management

The Bank manages inside information and insiders in accordance with regulatory requirements of the exchanges on which the Bank is listed and the Bank's rules, and conducts the collection, delivery, sorting, preparation and disclosure of relevant information in compliance with applicable laws and regulations. During the reporting period, the Bank continued to strengthen inside information management, timely organized the completion of insider lists and regularly conducted insider transaction self-inspections. After self-inspections, none of the insiders of the Bank were found to be involved in dealings in shares of the Bank who have taken advantage of inside information during the reporting period.

## Investor Relations

### Effective Communication with Shareholders and Review of Investor Relations Activities

The Bank carried out the investor relations management in accordance with the regulatory requirements in the place of listing. With consistent adherence to the investor-centered approach, the Bank has established an effective communication mechanism with investors based on the principle of serving investors in a comprehensive, proactive, precise, coordinated and efficient manner. The Bank made constant and extensive communication with investors and analysts through channels like press conferences in relation to periodic results announcements, domestic and overseas non-deal roadshows, investor hotline, investor relations mailbox, investor relations website and the online platform of the SSE E-interactive, and made records of these activities according to relevant regulatory requirements, striving to improve its work accuracy and service quality regarding investor relations.

During the reporting period, the Bank held the briefing conference on annual results in the form of "on-site meeting + webcast" in Hong Kong SAR and Beijing simultaneously. It was awarded the "Best Practice of the Annual Report Presentation of Listed Companies" for the fourth consecutive year by the China Association for Public Companies. The Bank strengthened multi-dimensional interaction with investors, carried out proactive and targeted investor relation activities at a high frequency in "online + offline", "one-to-one and one-to-many" forms, held investor relation activities themed "GBC+ and D-ICBC" and "Five Priorities" etc., so as to respond to investors' concerns with market-oriented, international and professional expressions. The Bank took solid steps to protect the legitimate rights and interests of small and medium-sized investors, actively responded to inquiries about the platforms and channels such as the SSE E-interactive, investor hotline, investor relation mailbox, etc. In 2024, the Bank was named "Best Listed Company of the Year in Investor Relations Management" in the 2024 Crystal Ball Awards for Listed Companies organized by the *Weekly on Stocks*.

In 2025, the Bank will further and proactively deepen the communication and exchange with investors to enhance investors' understanding and recognition of the Bank and continue to protect legitimate interests of the investors, at the same time, the Bank hopes to receive more support and attention from its investors.

## Investor Enquiries

If an investor wishes to enquire about any questions related to operation performance of the Bank, please contact:

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| Telephone: | 86-10-66108608 |
| Facsimile: | 86-10-66107420 |
| E-mail: | ir@icbc.com.cn |
| Address: | Corporate Strategy and Investor Relations Department, Industrial and Commercial Bank of China Limited, 55 Fuxingmennei Avenue, Xicheng District, Beijing, China |
| Postal code: | 100140 |

## Internal Control

The Board of Directors of the Bank is responsible for formulating the basic systems for internal control and supervising the implementation of such systems; the Audit Committee of the Board of Directors is responsible for supervising the establishment of internal control system and evaluating the compliance and effectiveness of the Bank's significant business and management activities. The Bank has set up the Internal Audit Bureau and Internal Audit Sub-bureaus under vertical management, which are accountable to and report to the Board of Directors. The Senior Management of the Bank is responsible for formulating systematic policies, procedures and methods, as well as taking risk control measures. Under the Senior Management, the Risk Management and Internal Control Committee performs the responsibilities related to internal control and evaluates the sufficiency and effectiveness of internal control. The Head Office and branches have internal control and compliance departments which are responsible for the organization, promotion and coordination of internal control.

During the reporting period, the Bank continued to improve the internal control mechanisms and enhanced the quality and efficiency of internal control management. The Guidelines on Strengthening the Construction of the Internal Control System was formulated and implemented. A compliance culture event themed by "Year for Quality Enhancement" was thoroughly carried out to further build the internal control ecosystem. Regulatory requirements were strictly turned into in-house policies, and intelligent transformation of risk control was pursued, continuously improving the capabilities of "early identification, warning, exposure and resolution" of risks. A Policy and Procedure system of easy-to-remember was steadily developed, and the checks and balances among job positions and rigid business control were strengthened, to continuously promote the institutionalization of business, the proceduralization of institutions, the systematization of processes, and the integration of systems. The D-ICBC initiative was further implemented to expand the breadth and depth of system connectivity and data sharing. The synergy of the three lines of defense was further enhanced to make orderly progress in alignment of regulations, discipline and laws and integration of prevention, investigation and resolution, so as to build a sound safety net for high-quality development.

## Internal Control Assessment Report and Internal Control Audit

While disclosing the annual report, the Bank also disclosed the 2024 Internal Control Assessment Report of Industrial and Commercial Bank of China Limited in accordance with the requirements of the MOF, the CSRC and the SSE. The report stated that the Bank had maintained effective internal control over financial reporting in all material aspects in accordance with the standard system for enterprise internal control and relevant rules as at 31 December 2024 (benchmark date). Ernst & Young Hua Ming LLP has audited the effectiveness of the Bank's internal control over financial reporting as at 31 December 2024 and issued the unqualified audit report on internal control. For details, 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.

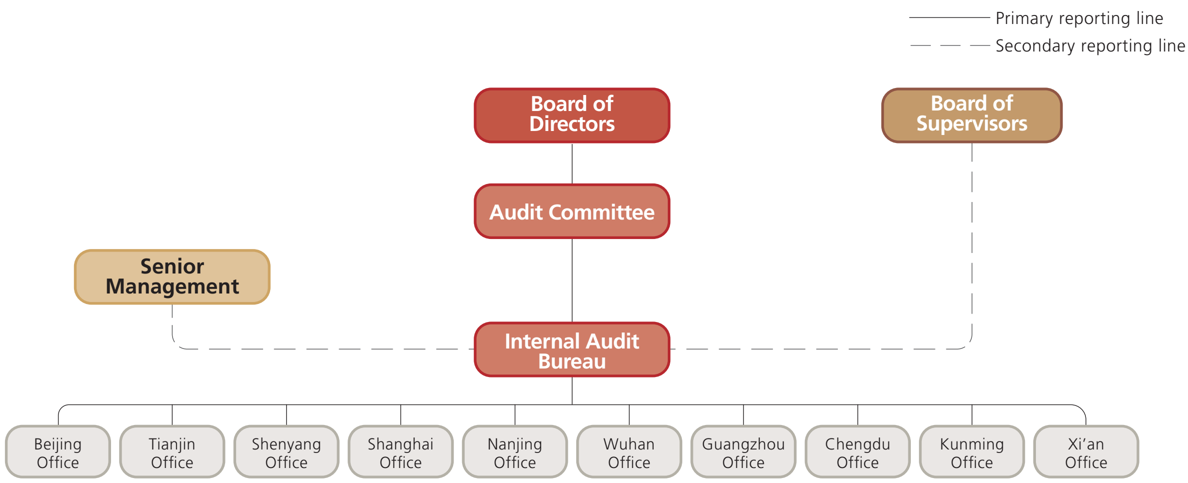
## Internal Control Evaluation and Defects

The Board of Directors of the Bank conducted an assessment of the effectiveness of the Group's internal control during the reporting period in accordance with the Basic Standard for Enterprise Internal Control and its supporting guidelines issued by five ministries and commissions including the MOF, the Circular on Further Improving the Effectiveness of Internal Control over Financial Reports of Listed Companies issued by the MOF and the CSRC, the Self-regulatory Guidelines for Listed Companies No. 1 — Standardized Operation issued by the SSE and relevant regulatory requirements of the NFRA. No material or significant deficiencies were noted in the Bank's internal control system through the assessment. Risks that may arise from ordinary deficiencies are controllable and corrective actions have been or are being taken, which have no material impact on the fulfillment of internal control objectives of the Bank. The Bank had maintained effective internal control in all material aspects in accordance with the standard system for enterprise internal control and relevant rules.

There was no factor that affected the assessment conclusion of internal control effectiveness from the benchmark date to the issuance date of the internal control assessment report.

## Internal Audit

The Bank established a vertical and independent internal audit system composed of the Internal Audit Bureau and ten Internal Audit Sub-Bureaus, which are accountable to and report to the Board of Directors, and shall accept the inspection, supervision and evaluation by the Audit Committee of the Board of Directors and the supervision and guidance by the Board of Supervisors. The Internal Audit Sub-bureaus, acting as the dispatched offices of the Internal Audit Bureau, are accountable to, and shall report to, the Internal Audit Bureau. The chart below illustrates the internal audit management and reporting framework of the Bank:



During the reporting period, the Bank implemented risk-oriented audit activities according to the development strategies and central tasks of reform and transformation of the Bank. The Bank strengthened the audit supervision of major business areas, key institutions, various risks and key minorities, and comprehensively accomplished the annual audit plan. The audit focused on the Bank's performance in implementing national policies, meeting regulatory requirements, improving the quality and efficiency of strategy implementation, strengthening risk prevention and control and other aspects, covering such areas as credit business, financial management, emerging business, compliance management, FinTech, operation management and capital management. The Bank also paid close heed to and made full use of audit findings and recommendations, with the aim of continuously improving risk management, internal control and corporate governance.

During the reporting period, the Bank actively adapted to the changes in the risk management conditions, deepened the modularized operation of audit, strengthened the overall coordination of audit processes and improved the quality and efficiency of audit outputs. The audit work was further digitally transformed to strengthen the application of off-site audit, enhance the information system support and increase the value contribution of audit models. The selection, cultivation, management, use and training of auditors were strengthened, and research-oriented auditing was carried out to improve the professional skills of the audit team. The Bank also improved the supervisory mechanism for audit remediation, improved the quality and efficiency of supervision and audit coordination, strengthened the connectivity and synergy with other supervisions, and effectively unleashed the cohesion of internal and external supervisions.

## Engagement of Auditors

Taking into consideration of the Bank's need of business development and external audit services, pursuant to the regulatory requirements on the selection of accounting firms, the Bank, after going through the bidding procedures, engaged Ernst & Young Hua Ming LLP[1] as the domestic external auditor of the Bank for the financial statements audit in 2024, and Ernst & Young[1] as the international external auditor of the Bank for the financial statements audit in 2024 and Ernst & Young Hua Ming LLP as the auditor of internal control of the Bank in 2024. Ernst & Young Hua Ming LLP and Ernst & Young have completed the communication on auditor change with the Bank's former external auditors Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu in accordance with the Chinese and international auditing standards. After succession, 2024 is the first year when Ernst & Young Hua Ming LLP, Ernst & Young, Audit Project Partner and Signatory Certified Public Accountant Yan Shengwei (A share), Audit Project Partner and Signatory Certified Public Accountant Zhang Mingyi (H share) and Signatory Certified Public Accountant Shi Yuxuan (A share) have rendered audit services for the Bank.

During the reporting period, the Group paid a total fee of RMB186 million for the audit of financial statements (including the audit of financial statements of subsidiaries and overseas branches), of which, RMB96 million (including fee for internal control audit of RMB6,152.7 thousand) was paid by the Bank.

During the reporting period, accounting firms provided the Group with non-audit services including professional services for asset securitization and bonds issuance etc., and received RMB9 million for such professional non-audit services.

1 Ernst & Young Hua Ming LLP is the Recognized Public Interest Entity Auditor under Hong Kong's Accounting and Financial Reporting Council Ordinance. Ernst & Young is the Registered Public Interest Entity Auditor under Hong Kong's Accounting and Financial Reporting Council Ordinance.

## Management on Subsidiaries

For the information of management and control on subsidiaries, please refer to "Discussion and Analysis — Business Overview — Comprehensive Operation and Subsidiary Management — Major Controlled Subsidiaries and Equity Participating Company".

## Whistleblowing Policy and Procedures

The Bank continues to improve the integrated whistleblowing and case acceptance system encompassing "online, telephone, written correspondence, and in-person visits". It adheres to designated personnel acceptance, collective case review, record management, tracking and supervision, and handled case clues in accordance with, applicable regulations, and disciplinary guidelines and legal provisions. This ensures alignment between supervision by discipline inspections authorities and public oversight. To address the reports of violations of internal policies and regulations by the Bank's entities or employees, the Bank has formulated the "Measures for Handling Whistleblowing on Violations". Guided by the principles of "seeking truth from facts, legal compliance, safeguarding legitimate rights, and tiered responsibility", the Bank clarifies the scope of acceptable reports, defines handling procedures, and establishes mechanisms for jurisdiction-based case management, tiered responsibility assignment, whistleblower protection and confidentiality.

## Anti-corruption Policy

The Bank persists in addressing both the symptoms and root causes of corruption through systematic governance, advancing the threefold goal of ensuring all employees "deter corruption, prevent corruption and eliminate corruption". The Bank continued to strengthen deterrence to deter corruption by intensifying case investigations and extending anti-corruption efforts to grassroots operations, reinforcing a strict disciplinary environment. The Bank also leveraged past cases as lessons to drive reforms, strengthened integrity risk management at the source, conducted comprehensive integrity risk assessments, and established long-term prevention mechanisms. The Bank consistently combated the "Four Malfeasances" (formalism, bureaucracy, hedonism, and extravagance), launched targeted rectifications on improper hospitality practices, and reinforced adherence to the Central Committee's Eight-Point Decision. The Bank further eliminate corruption by cultural reinforcement. The Bank integrated Party commitment, ethical conduct, and discipline compliance into training programs, implemented the Integrity-Driven ICBC Initiative, and organized the "Integrity+" Campaign to foster a culture of political transparency, clean governance, honest cadres, and a healthy ecosystem.

**Principal Business** The principal business of the Bank and its subsidiaries is the provision of banking and related financial services. Please refer to the section headed "Discussion and Analysis" for the business review of the Bank.

## 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 this 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:

| Item | 2024 | 2023 | 2022 |
|---|---|---|---|
| Dividend per ten shares (pre-tax, in RMB yuan) | 3.080 | 3.064 | 3.035 |
| Cash dividends (pre-tax, in RMB millions) | 109,773 | 109,203 | 108,169 |
| Percentage of cash dividends[1] (%) | 31.3 | 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".

## Formulation and Implementation of Cash Dividend Policy

The Articles of Association of the Bank explicitly stipulates that the Bank's profit distribution policy shall maintain its continuity and stability and meanwhile have regard to the long-term interest of the Bank, the overall interests of all shareholders and the sustainable development of the Bank. It emphasizes the priority to adopt cash dividend as the profit distribution method and provides that the Bank's adjustment to the profit distribution policy shall be discussed by the Board of Directors as a special proposal and the grounds for adjustment shall be substantiated and proved in detail and presented in a written substantiating report for Independent Non-executive Directors to issue their opinions, and then the report will be submitted to the Shareholders' General Meeting for approval as a special resolution.

The formulation and implementation of the Bank's cash dividend policy accords with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting, the dividend distribution standards and proportion are clear and explicit, and the decision-making procedure and mechanism are complete. Moreover, Independent Non-executive Directors had issued their opinions on it. Minority shareholders can fully express their opinions and appeals, to completely safeguard their legitimate rights.

**Distributable Reserves** Details of the distributable reserves of the Bank as at 31 December 2024 are set out in "Note 40. to the Consolidated Financial Statements: Reserves" of this annual report.

**Financial Summary** The summary of results, assets and liabilities for the five years ended 31 December 2024 is set out in the section headed "Financial Highlights" of this annual report.

**Donations** During the reporting period, the Group made external donations of RMB138.33 million equivalent.

**Debentures Issued** During the reporting period, please refer to the section headed "Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Details of Securities Issuance and Listing" for information on the debentures issued by the Bank.

**Subsidiaries** Particulars of the Bank's major subsidiaries as at 31 December 2024 are set out in the sections headed "Discussion and Analysis — Business Overview" and "Note 25. to the Consolidated Financial Statements: Investments in Subsidiaries" in this annual report.

## Share Capital and Public Float

Particulars on the share capital of the Bank for the year ended 31 December 2024 are set out in "Note 38. to the Consolidated Financial Statements: Share Capital".

As at the latest practicable date before the disclosure date of the results, the Bank has maintained the minimum public float of 23.45%, based on the publicly available information and to the best knowledge of the Board of Directors of the Bank.

## 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.

**Pre-emptive Rights** The Articles of Association of the Bank does not have any mandatory provision regarding pre-emptive rights. Pursuant to the Articles of Association, the Bank may increase its registered capital after obtaining approval of the Shareholders' General Meeting and of relevant authorities, by issuing shares through public or non-public offering, issuing bonus shares to the existing shareholders, converting capital reserve to share capital or using other methods as allowed by applicable laws and administrative regulations or approved by relevant authorities.

**Major Customers** In 2024, the aggregate interest income and other operating income from top five customers of the Bank did not exceed 30% of the interest income and other operating income of the Bank for the year.

## Use of Proceeds from Fundraising Activities

All the funds raised from the Bank's fundraising activities were used for the purposes as disclosed in the prospectuses, namely, strengthening the capital base to support the ongoing business growth of the Bank.

For future planning disclosed in the public disclosure documents such as previous offering prospectuses and fund raising prospectuses issued by the Bank which has continued during the reporting period, its implementation progress conformed to the planning as described after verification and analysis.

**Equity-linked Agreement** The Bank had no equity-linked agreements required to be disclosed by the Hong Kong Listing Rules.

**Management Contracts** During the reporting period, the Bank did not enter into or have any contract regarding the management and administration of the whole or any important business.

**Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts of Significance** During the reporting period, none of the Directors or Supervisors of the Bank or their connected entities had any material interests, whether directly or indirectly, in any transaction, arrangement or contract of significance regarding the Bank's business to which the Bank, its subsidiaries, its controlling shareholders or subsidiaries of its controlling shareholders was a party. None of the Directors or Supervisors of the Bank have entered into any service contract with the Bank, which is not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

**Directors' Interests in Competing Business** None of the Bank's Directors held any interests in any business competes or competed or is or was likely to compete, either directly or indirectly, with the Bank.

**Directors' and Supervisors' Rights to Acquire Shares or Debentures** None of the Bank, its subsidiaries, its controlling shareholders or subsidiaries of its controlling shareholders entered into any agreement or arrangement enabling the Directors or Supervisors to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

**Interests in Shares, Underlying Shares, and Debentures Held by Directors and Supervisors** As at 31 December 2024, none of the Directors or Supervisors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong) which have to be notified to the Bank and the SEHK under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance of Hong Kong (including interests or short positions therein that they shall be deemed to have pursuant to such provisions of the Securities and Futures Ordinance of Hong Kong), or any interests or short positions which have to be recorded in the register under Section 352 of the Securities and Futures Ordinance of Hong Kong, or any interests or short positions which have to be notified to the Bank and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

## Related Party (Connected) Transactions

In 2024, the Bank carried out standardized management of the Group's related party (connected) transactions in strict accordance with the regulations of the NFRA and the CSRC as well as listing rules in Shanghai and Hong Kong SAR, and had no related party (connected) transaction to be submitted to the Board of Directors or the Shareholders' General Meeting for review. All related party (connected) transactions occurred complied with the disclosure exemptions under the Listing Rules of the Shanghai Stock Exchange and the Hong Kong Listing Rules. The disclosure exemptions abided by the provisions of the SSE for disclosure of related party transactions as well as the provisions of the SEHK for reporting and announcement of connected transactions.

At the end of the reporting period, the Bank's balance of credit related party transactions and the balance of non-credit related party transactions under the rules of the NFRA amounted to RMB828,902 million and RMB525,131 million, respectively.

Please refer to "Note 48. to the Consolidated Financial Statements: Related Party Disclosures" for details of the related party transactions defined under the laws, regulations and accounting standards of China.

**Liability Insurance of Directors, Supervisors and Senior Management Members** Pursuant to the Articles of Association of the Bank, where conditions permit, the Bank may establish the professional liability insurance system of Directors, Supervisors and Senior Management members upon approval of the Shareholders' General Meeting. The Bank will use its own assets to compensate each Director, Supervisor and Senior Management member for any liability arising during their performance period to the maximum extent permitted by laws and administrative regulations or within the scope not prohibited by laws and administrative regulations, unless the Directors, Supervisors and Senior Management members are otherwise proved to have failed to act honestly or in good faith during their duty performance. During the reporting period, the Bank purchased liability insurance for Directors, Supervisors and Senior Management members.

**Relations among Directors, Supervisors and Senior Management** Directors, Supervisors and Senior Management members of the Bank are not related to one another with respect to finance, business, family, or other material relationships which are required to be disclosed.

**Remuneration Policy for Directors, Supervisors and Senior Management** The Bank has clearly documented the remuneration policy for Directors, Supervisors and Senior Management members, and has continuously improved its performance assessment system and incentive restriction mechanism. From the perspectives of creating economic benefit, serving the real economy and fulfilling social responsibilities, as well as preventing and controlling financial risks, the Bank adopted a system composed of the Bank's overall operation and management based indicators for the Management and duties allocation based indicators for individuals. The remuneration to the Chairman of the Board of Directors, the President and Senior Executive Vice Presidents has followed the State's policies relating to the remuneration reform on executives of central enterprises, which consists of basic annual remuneration, performance-based remuneration and incentive income linked to term appraisal. The remuneration to other Senior Management members consists of basic annual remuneration and performance-based remuneration, and part of performance-based remuneration is paid in a deferred manner. The Bank has contributed to statutory retirement programs organized by Chinese governmental organizations at different levels for Directors, Supervisors and Senior Management members concurrently as the employees of the Bank. Upon obtaining all applicable approvals, the Bank will implement a long-term incentive program. As at 31 December 2024, the Bank had not granted any share appreciation rights to any Director, Supervisor, Senior Management member, or other core business personnel designated by the Board of Directors.

## Members of the Board of Directors

As at the disclosure date of the results, the composition of the Board of Directors of the Bank is as follows:

Executive Directors: Mr. Liao Lin, Mr. Liu Jun and Mr. Wang Jingwu;

Non-executive Directors: Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun, Ms. Chen Yifang, Mr. Dong Yang and Ms. Zhong Mantao;

Independent Non-executive Directors: Mr. Fred Zuliu Hu, Mr. Norman Chan Tak Lam, Mr. Herbert Walter, Mr. Murray Horn, Mr. Chen Guanting and Mr. Li Weiping.

Industrial and Commercial Bank of China Limited

Board of Directors

# Report of the Board of Supervisors

## Work of the Board of Supervisors

During the reporting period, the Board of Supervisors, pursuant to relevant laws and regulations, regulatory requirements and the Articles of Association, performed supervision duties earnestly. It carried out supervision over duty performance and due diligence, financial activities, risk management, internal control and compliance, etc. in a down-to-earth way. Focusing on institutional issues and key fields, key institutions and critical steps of the whole Bank, the Board of Supervisors gave play to its supervisory role in corporate governance, and promoted the legal, compliant operation and development across the Bank.

**Performance of the Board of Supervisors.** In 2024, the Board of Supervisors held eight meetings, reviewed 19 proposals including proposals on the 2023 work report of the Board of Supervisors, assessment report on the duty performance, and report regarding the assessment opinions on development strategies, heard 31 reports on the topics including the operation, strategy planning and implementation, and risk management of the Bank, and reviewed 46 special reports including reports on the quarterly supervision, internal audit and internal control and compliance, and implementation of supervisory recommendations by the Board of Supervisors. The members of the Board of Supervisors diligently and faithfully fulfilled their duties, issued opinions in an objective and fair manner, and appropriately exercised voting rights. They attended four Shareholders' General Meetings, and attended 12 meetings of the Board of Directors and 32 meetings of special committees as non-voting attendees. They input adequate time and efforts in supervisory inspections and surveys. They sent 13 supervisory proposal letters to relevant departments, giving full play to the role in supervising corporate governance. They attached great importance to theoretical learning and actively participated in training and seminars, with an aim to continuously build up their duty performance ability. External supervisors worked for more than 15 working days in the Bank, complying with the relevant requirements.

**Supervision on the performance of duties.** The Board of Supervisors supervised the Board of Directors, Senior Management and their members on their compliance with the laws, regulations and the Articles of Association, on their implementation of decisions and plans made by the CPC Central Committee, on their attendance of meetings and expression of opinions, and on their execution of the resolutions reached at the Shareholders' General Meetings and the meetings of the Board of Directors. The Board of Supervisors focused on the performance of the Board of Directors and the Senior Management in adhering to the guidance of Party building, thoroughly implementing the guiding principles from the Third Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, keeping improving the working mechanism for corporate governance, jointly promoting the rectification following the disciplinary inspection by the CPC Central Committee under the theme of "preventing risks, strengthening supervision and promoting development", effectively performing the "Five Priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance and promoting the "five transformations". The Board of Supervisors paid particular attention to increasing support for the real economy, maintaining the continuity and stability of investment and financing, helping consolidate and strengthen the economic recovery, highlighting the major responsibilities and core businesses, strengthening quality financial services for major strategies, key areas and weak links and leading Chinese commercial banks by functioning as the main force serving the real economy and the ballast stone for maintaining financial stability. The Board of Supervisors made special evaluations on the implementation of the strategic assessment and information disclosure system, and effectively carried out the annual performance assessment. The Board of Supervisors conducted in-depth research on corporate governance of overseas subsidiaries, and played an active role in promoting the implementation of the strategies and improving corporate governance.

**Financial supervision.** The Board of Supervisors regularly heard the reports on the operations of the Bank and the auditing results of financial reports, paid due attention to duty performance of the Board of Directors and the Senior Management in operation management, earnestly reviewed periodic reports, final accounts, and profit distribution plan. Meanwhile, it oversaw the engagement of and work done by the external auditor, and assessed the duty performance of the auditor annually. It supervised major financial decisions and their implementation, conducted spot checks on major financial approval and accounting matters, heard special reports on equity management, equity investment management and management of overseas state-owned assets, and strengthened the management of expected credit losses and the supervision of provisioning and retention. It strengthened the supervision over financial resource allocation and financial compliance management, focusing on performance assessment, expense allocation, centralized procurement, interest rate pricing and implementation of internal and external supervision and inspection opinions. The Board of Supervisors conducted in-depth special surveys on personal intermediary services, conducted field surveys on key institutions at home and abroad, and promoted improvement of the Bank's action plan for income increase and the steady, complying and sustainable development of domestic and overseas institutions.

**Risk supervision.** The Board of Supervisors supervised the soundness and effectiveness of the risk management system, and paid due attention to duty performance of the Board of Directors and the Senior Management in enterprise risk management. It paid close attention to a wide array of areas such as the risk control mechanism, risk management strategies, risk appetite and its transmission mechanism, risk management policies and procedures, capital management, consolidated management and off-balance-sheet business management mechanisms, group-wide implementation of the Five-pronged Risk Management Approach, measures to improve the four-pronged risk management approach to people, money, defense line and bottom line, and risk management requirements for "active prevention, smart control and comprehensive management". It strengthened supervision of "9+X" material risks and monitored and analyzed the changes and compliance of risk regulatory indicators, in an effort to optimize or upgrade the enterprise risk management system. For the four business lines of corporate banking, inclusive finance, personal loans and credit cards, joint efforts were organized to conduct special surveys on the joint risk prevention and control in the three lines of defense for credit business, analyze and detect the institutional and mechanism-related problems existing in the integration of the three lines of defense into the bank-wide risk management and improve the establishment of joint risk prevention and control system and coordinated performance of duties across the three lines of defense.

**Supervision on internal control.** The Board of Supervisors supervised the improvement of the internal control system made by the Board of Directors and Senior Management, and performed duties in relation to internal control and compliance management as well as operational risk and reputational risk management. It paid close attention to a wide array of areas such as the construction of compliance culture across the Group, the effectiveness of the internal control system, the creation and implementation of policies and systems, the operation of the supervisory inspection mechanism, and remediation of problems identified in supervisory inspections. The Board of Supervisors reviewed and checked the annual internal control assessment report of the Group, reviewed the related party transactions audit report, and strengthened guidance on internal audit and internal control and compliance. In alignment to the regulatory requirements in all aspects, it further strengthened regulatory penalties, case prevention of internal control, consumer protection, anti-money laundering, operational risk, reputational risk, implementation of new regulations on related party transactions, data governance and cyber security management supervision. Centering on the central work of the Bank, the Board of Supervisors conducted special research on the development of inclusive business and FinTech business, as well as the operation and compliance management of overseas institutions, facilitated the implementation of the Group's major strategies, and strongly supported the Bank to firmly secure the bottom line against systematic risks.

## Independent Opinions of the Board of Supervisors on Relevant Issues

**Compliant Operation** During the reporting period, the Board of Directors and the Senior Management of the Bank continued to operate in compliance with applicable laws and regulations, and the decision-making procedures complied with applicable laws and regulations and the Articles of Association. Members of the Board of Directors and the Senior Management diligently and faithfully performed their duties, and the Board of Supervisors did not find any violation of laws and regulations, or any circumstance that contravened the interests of the Bank in their performance of duties during the reporting period.

**Preparation of Annual Report** Preparation and review procedures of the Bank's Annual Report were in compliance with laws, regulations and regulatory rules. Contents of this report reflected the actual conditions of the Bank truly, accurately and completely.

**Use of Proceeds from Fundraising Activities** During the reporting period, the use of proceeds from the Bank's fundraising activities was consistent with the purpose stated in the prospectuses.

**Purchase and Sale of Assets** During the reporting period, the Board of Supervisors did not find any insider trading or any circumstance that contravened the shareholders' interests or caused the loss of the Bank's assets in the process of the Bank's purchase or sale of assets.

**Related Party Transactions** During the reporting period, the related party transactions of the Bank were conducted on normal commercial terms. The Board of Supervisors did not find any circumstance that infringed upon the interests of the Bank. The approval, voting, disclosure and implementation of related party transactions complied with applicable laws and regulations and the Articles of Association of the Bank.

**Implementation of Resolutions Passed at the Shareholders' General Meeting** During the reporting period, the Board of Supervisors had no objection to the reports or proposals presented by the Board of Directors to the Shareholders' General Meetings for consideration. The Board of Directors earnestly implemented the resolutions approved at the Shareholders' General Meetings.

**Review of the Internal Control Assessment Report** The Board of Supervisors reviewed the 2024 Internal Control Assessment Report of the Bank and had no objection to the report.

**Implementation of Information Disclosure Rules** During the reporting period, the Bank performed its duty of information disclosure in compliance with the regulatory requirements, implemented the information disclosure management rules in earnest, and disclosed information in a timely and fair manner. Information disclosed was authentic, accurate and complete.

Save as disclosed above, the Board of Supervisors had no objection to any other matters during the reporting period.

# Environmental and Social Responsibilities

## ESG Governance Framework

The Board of Directors of the Bank actively performed its role in strategic decision-making and supervision, made continuous efforts to deepen ESG governance and refined the ESG governance framework. The Strategy Committee established under the Board of Directors was responsible for reviewing the annual social responsibility report and proposing suggestions to the Board of Directors. The Corporate Social Responsibility and Consumer Protection Committee under the Board of Directors was responsible for studying and deliberating the Bank's performance of social responsibility in environmental, social, governance, rural revitalization services and corporate culture, the Bank's strategies, policies and goals in consumer protection; strategies in green finance, development plans on inclusive finance business, basic management systems, annual operation plans for inclusive finance business, and methods of assessment and evaluation, and putting forward suggestions to the Board of Directors.

The Senior Management of the Bank was responsible for ESG (social responsibility and sustainable development) management. The Senior Management set up the ESG and Sustainable Finance Committee and made it a supportive decision-making body to support the Senior Management to coordinate, lead and advance the green finance and ESG work. The ESG and Sustainable Finance Committee was responsible for implementing the Group's ESG and sustainable finance strategies and objectives, coordinating and promoting ESG and sustainable finance-related work of all business lines of all ICBC institutions, and guiding the development, operation and management of ESG and sustainable finance across the Bank.

The domestic institutions at all levels implemented the ESG and sustainable development concepts in their operation and management activities in accordance with laws, regulations and regulatory requirements, and the overseas institutions implemented them in accordance with local standards and regulatory requirements.

## Green Finance

In 2024, the Bank persistently developed green finance from a strategic perspective and constructed a green finance system in a profound way. Under the coordinated leadership of the Board of Directors, the Senior Management, and the Green Finance Committee, the Bank promoted various work of green finance from multiple dimensions such as top-level design, business innovation, risk management, cooperation and exchanges in an integrated manner. Its all-around efforts to promote the high-quality development of green finance achieved great milestones. The Bank won several awards, including the "Advanced Unit in Green Bank Evaluation" by the China Banking Association, as well as "Best Bank for Sustainable Finance, China" and "Best Carbon Neutrality Green Bond of the Year" by *The Asset*.

**Continuous promotion of green investment and financing showed increased volume, expanded coverage and improved quality.** By the end of 2024, the Bank's balance of green loans (by the statistical standard of the NFRA) exceeded RMB6 trillion, remaining the first place among peers and providing solid financial support to the green and low-carbon transformation of the Chinese economy and society. The Bank successfully issued "carbon neutrality" themed overseas green bonds in multiple currencies amounting to an equivalent of USD1.74 billion through three overseas branches in Hong Kong SAR, Singapore and London, further expanding the international financing channels for green finance. The Bank innovatively issued Total Loss-Absorbing Capacity non-capital green bonds of RMB10.0 billion, and cumulatively issued domestic green bonds of RMB110.0 billion, leading the industry in terms of issuance scale.

**The top-level design was enhanced to strengthen the coordination and promotion of green finance.** The Bank enhanced its development planning and layout of green finance through improving the organizational structure, enhancing the setting and staffing of professional institutions, and strengthening the systematic planning and deployment of key green financial work. Also, the Bank strengthened its team building, organized and implemented several series of training on green finance topics, thereby achieving full coverage among all institutions and key business lines within the Group as well as systematical enhancement of the professional capacity of team members.

**The leadership in innovation was cemented to open up a new path for comprehensive package of green finance services.** The Bank explored the financing green innovation, underwrote the first carbon emission reduction-linked bonds in China, and innovated for the sustainable development-linked loan business. The Bank strengthened research on key green industries by comprehensively examining the development characteristics and financial needs of the entire chain of key green industries such as new energy vehicles, photovoltaic, water conservation, etc., in order to explore business potential and build firm defense against risks. During the 7th China International Import Expo, the Bank formally released its ESG Consulting Service System, which covered consulting services for ESG strategic planning, implementation, information disclosure, rating optimization and transaction aggregation, facilitating to meet the diversified and comprehensive development needs of customers.

**The prospective study was intensified to continuously improve the risk prevention and control system of ESG.** The Bank developed its green investment and financing guide, improved the green classification management framework for investment and financing and implemented differentiated management and risk controls. The Bank made full use of the big data information to strengthen proactive identification, real-time warning and timely handling of ESG-related risks. Its innovatory implementation of a full process management mechanism for the ecological conservation redlines provided solutions for biodiversity risk management. Climate risk management was incorporated in enterprise risk management, with climate risk stress tests carried out and climate factors further applied in the assessment and risk monitoring of investment and financing projects.

**Internal and external communications were strengthened to continuously enhance the influence and leadership of green finance.** Taking the opportunities of the China-UK Green Finance Seminar, China-US Financial Roundtable, cross-border finance workshops of the Belt and Road, etc., the Bank communicated pragmatically with its global counterparts on international green cooperation, thereby promoting an international financial governance system of mutual cooperation and benefits. The Bank strengthened its cooperation with government authorities by establishing regular cooperation mechanisms with the China Meteorological Administration and the Ministry of Industry and Information Technology, in a joint effort to further improve the green finance ecosystem in an ongoing manner. The green finance brands building was carried out and its influence had been continuously improved. The documentary "Beautiful China on the Road", title-sponsored by ICBC, was aired on CCTV-1 (General Channel), helping continue to build the "ICBC Green Bank+" brand system.

## Green Operation

Committed to "promoting green development, advocating green and low carbon, and building a green bank", the Bank actively advanced the energy conservation and carbon emission reduction in its own operations. The Bank collected three major data types, namely, carbon emission data, emission facilities and monitoring facilities using its self-developed carbon footprint management data statistics system, and continued to optimize the anomaly data model to ensure the completeness and accuracy of the data. The Bank also engaged third-party specialists to verify the data through on-site inquiry and check, document review, energy audits etc., so as to provide data support for further low-carbon operation.

Taking into account its actual conditions, the Bank focused on energy conservation and carbon emission reduction in four areas, namely, IT infrastructure, building infrastructure, day-to-day office and key energy-using facilities. In order to promote renewable energy consumption, the Business Research & Development Center used green power and the Data Center effectively improved the energy efficiency of the computer room through computer room renovation. The Bank worked harder to build and promote the smart office platform, optimized the videoconferencing function, promoted paperless meetings, and continuously reduced office paper use. During the reporting period, by holding paperless meetings, it saved nearly 6 million sheets of paper. The publicity and training on the philosophy of low-carbon operation was strengthened through the annual National Energy Efficiency Promotion Week, the Bank's "Dual Carbon" talent training, ESG cases and other special events.

## Consolidating and Building on Achievements in Poverty Alleviation and Services for Rural Revitalization

The Bank further promoted the Urban-Rural Collaborative Development Strategy, formulated and implemented the Action Plan for Comprehensively Promoting Rural Revitalization and Building a Strong Agricultural Sector Faster with Financial Services, in an all-out effort to support the comprehensive rural revitalization. As at the end of 2024, the balance of agriculture-related loans of the Bank amounted to RMB4.4 trillion, representing an increase of RMB790.7 billion from the beginning of the year. The balance of loans to key counties for national rural revitalization was RMB204.0 billion, an increase of 16.4% from the beginning of the year. The balance of loans to poverty-alleviated areas was RMB1.2 trillion, an increase of RMB132.0 billion from the beginning of the year.

**The availability of financial services was enhanced for food security.** The Bank launched the joint action of "ICBC Support Food Security and Embrace a Bountiful Harvest Year" to safeguard food security. This included the release of the "Bountiful Harvest Action" plan aimed at safeguarding food security, the formulation of inclusive financial service guidelines for grain procurement and agricultural machinery, and the innovation of specialized financial products such as "Breeding e Loan", "Vegetable Basket Development Loan" and "Cotton Grower Loan". Efforts were also accelerated to promote products like "Planting e Loan" and "Grain Planting Loan", all designed to support the stable production and supply of grain and essential agricultural products.

**The Bank unveiled innovative services with ICBC's characteristics.** It further promoted the "Agricultural Matchmaking" in cooperation with the Ministry of Agriculture and Rural Affairs of China, and carried out a series of activities such as "Major Towns Tour", "Agricultural Specialty Brands" and "China-Africa Industrial Chain Cooperation". These initiatives had served a cumulative total of 480 thousand agricultural business entities and facilitated over 50 thousand cooperative intentions. Stronger support was provided for a wider range of major agricultural and rural infrastructure projects, including comprehensive financial support for key projects such as rural roads, cold chain logistics and communications, water and power supply and habitat improvement. The Bank continued to add service scenarios for the "Digital Countryside" comprehensive service platform, introduced the innovative "Digital Suppliers Prosperity" based on the platform and helped improve rural governance. The "Going into the Countryside" rural financial service action was launched, with more than 1,000 rural financial service teams dispatched to provide comprehensive financial services at the sites of administrative village communities, village fair and in the fields. Focusing on key counties for national rural revitalization, the Bank continued to tilt financial resources in poverty-alleviated areas to support the development of characteristic industries, carried out special recruitment for rural revitalization, formulated exclusive settlement rights, interests and discounts, and optimized service access channels.

**The Bank adhered to the integration of online and offline channels.** The Bank continuously improved the integrated service channels for county and rural areas, including county-level outlets, mobile banking, the ICBC "Xingnongtong" APP, ICBC e Pooling Opening Banking. The number of online rural customers in county areas exceeded 184 million, reaching 87.4% in coverage of outlets in counties.

**The Bank provided targeted assistance.** The Bank intensified its assistance to the four targeted counties and cities (Tongjiang County, Nanjiang County, Wanyuan City and Jinyang County in Sichuan Province) that ICBC is paired up with, enhancing the effectiveness of assistance. The Bank reinforced financial assistance to various industries, implementing projects such as the "Hundred Villages Doubling" initiative for Nanjiang gazelle, the development of entire industry chain for Tongjiang white fungus, the deep processing of Wanyuan black chicken, and the construction of Jinyang loquat planting parks. These efforts aimed to enhance the quality and efficiency of characteristic industry development. Also, the Bank reinforced financial support to Consumer Assistance by organizing the "Spring Initiative", "Jinqiu Action", launching 12 high-speed rail advertising trains dedicated to rural revitalization in the four targeted counties and cities, and promoting characteristic agricultural products on CCTV series titled the China National Treasure Conference, actively publicizing the agricultural, cultural and tourism resources of the assisted areas. In terms of medical and educational assistance, the Bank funded the construction of the Central Hospital of Wanyuan, Nanjiang Digital Library and so on. The Bank carried out the "Candlelight Program" to honor rural teachers for the 22nd consecutive year and "Sailing Project" to support financially struggling students for the 21st consecutive year. Collaborating with public welfare organizations and top-tier hospitals, the Bank carried out assistance initiatives such as the "Eyes Care Action", "Angel Project", "Childlike Innocence Harbor" and health clinics, continuously enhancing the sense of gain and happiness among the poverty-stricken population. To firmly hold the line against returning to poverty, the Bank helped the four counties and cities to consolidate and improve the levels of "Three Guarantees" and drinking water safety, and assisted those whose annual income had sharply declined due to illness, education expenses, or disasters, helping to solidify the foundation for stable poverty alleviation.

## Consumer Protection

The Bank further advanced the comprehensive "Greater Consumer Protection", continuously improved the system for protecting consumer rights, and optimized the management mechanism for consumer protection. It deepened the integration of consumer protection with business development, and established a full-chain consumer protection system that covers pre-event, in-event, and post-event stages, to fully safeguard the legitimate consumer rights and effectively enhance the governance capabilities of consumer protection and the customer service experience.

The Board of Directors, the Board of Supervisors and the Senior Management of the Bank worked harder to coordinate, guide, and oversee the consumer protection work, with consumer protection better embedded in corporate governance and operation and management strategies. The Consumer Protection Committee under the Senior Management convened six meetings throughout the year to address key issues in consumer protection complaints and to consider and approve an action plan for the high-quality development of consumer protection, so as to drive the deep integration of consumer protection into the entire process of business operations and development. The Bank strengthened the standardized management of consumer protection in financial marketing and promotion to consumers, disclosure of consumer protection information and other key areas. The Bank optimized the elements of assessment indicators to effectively incentivize and constrain institutions at all levels to fulfill their duties and responsibilities, continuously enhancing the effectiveness of consumer protection. The Bank had its workflow system for consumer protection review reconstructed to intensify the independent review by frontline business departments, and better leverage the professional advantages of product and service management departments, thereby driving the deep integration of consumer protection management requirements into all aspects of business operations and product services. In key tasks such as formulating financial service plans for key customer groups, deepening service scenarios of "ICBC Sharing Station+", and combating illegal financial activities, the Bank refined the relevant requirements for consumer protection to safeguard the legitimate consumer rights from the source and to promote the effective implementation of consumer protection culture.

The Bank earnestly carried out activities such as "March 15th Consumer Rights Day", "Publicizing Financial Knowledge to Walk Ten Thousand Miles" and "Financial Literacy Month", to widely disseminate financial knowledge and business risks warning through innovative formats such as themed lectures, sitcoms, micro-movies and immersive experiences, effectively enhancing consumers' financial literacy and risk prevention capabilities. By integrating content closely related to consumers, such as appropriate management, consumer rights and obligations, personal information protection and diversified financial dispute resolution mechanisms, into daily marketing and customer service, the Bank aimed to facilitate customers to safely and conveniently use high-quality financial products and services. Public welfare activities such as "For Concern and Love" Volunteer Service Month and "Care for Warm Autumn" were carried out with ICBC Sharing Station, offering volunteer services such as enhancing financial literacy for the elderly and providing care for new urban residents. These initiatives continuously improved the consumer protection service level at our outlets. We also organized special activities such as "Embracing New Missions: Consumer Protection in Counties" and "Going into the Countryside", delving into rural, remote and ethnic minority regions to educate on preventing financial fraud and the national policies against illegal financial activities.

The Bank organized six bank-wide consumer protection training sessions to improve the consumer protection awareness and professional capabilities of staff in relevant positions, and focused on consumer rights protection and enhancement of customer complaint handling skills. For key positions such as heads of primary institutions and leading consumer protection departments, as well as consumer protection officers in critical business lines (including personal banking, bank cards, Internet Finance, and operations management across various levels of institutions), the Bank flexibly employed practical, scenario-based and express training methods. This targeted approach strengthened the training on consumer protection laws, regulations, and supervisory requirements, aiming to intensify the emphasis and management of consumer protection among management at all levels. Considering their business characteristics, customer structure and service standards, institutions at all levels organically integrated content and modules related to consumer protection and complaint management into professional training for business management and development. This integration aimed to solidify, deepen and strengthen the principles of consumer protection in the operational behaviors of employees.

The Bank continued to strengthen the root cause management of customer complaints and improve the quality of financial product services, and made every effort to build a bank satisfactory to the people, recording a customer satisfaction rate of 93.07% in 2024, 2.26 percentage points higher than that of the previous year. In 2024, it deepened "The Year for Consolidating Complaint Management in Personal Finance" campaign and comprehensive management of consumer protection complaints on credit cards. The Bank developed special measures targeting to key complaint issues that affect the public's vital interests and service experiences, and focused on solving complaints from the source, aiming to comprehensively enhance service levels. The Bank improved the customer complaint management mechanism to meet the latest regulatory requirements and emphasize the role of diversified financial dispute resolution mechanisms. The capability of handling customer complaints was constantly enhanced by expanding the online processing scenarios of 95588 and granting more business permissions to the staff, aiming to resolve complaints effectively at the very start. Additionally, pilot complaint handling centers were established in some tier-two branches, where specialized teams were formed to centrally address complaints related to products, systems and processes, thereby improving the level of centralized and standardized complaint handling.

In 2024, the Bank received 266.8 thousand complaints from individual customers[1]. By type of business, the complaints were concentrated in business areas such as credit cards, personal loans, and debit cards. By region, the complaints were mainly concentrated in Guangdong, Hebei, Shandong, Jiangsu, Henan, Zhejiang, Beijing, Sichuan, Hubei, Anhui and other regions, and the complaints in the above regions accounted for 50.77% of all complaints.

## ESG Information Disclosure

The Bank has established a "Three-in-One" ESG information disclosure system consisting of annual sustainability report, ESG-related special report and regular information disclosure.

For details of the Bank's fulfillment of social responsibilities, please refer to the 2024 Sustainability Report of Industrial and Commercial Bank of China Limited published by the Bank on the website of the SSE, the "HKEXnews" website of the HKEX, and the website of the Bank.

QR Code link of the 2024 Sustainability Report of Industrial and Commercial Bank of China Limited

1 Compared with 2023, the statistical caliber of the number of individual customer complaints in 2024 in this report was further expanded, including not only complaints transferred by the regulatory authorities and complaints collected by the Bank, but also complaints "Forwarded via One Call Button" of the 12378 hotline to the Bank and complaints filed by customers through the Financial Consumer Protection Service Platform of the National Financial Regulatory Administration. In addition, in order to more accurately reflect the actual situation of customer complaints, the number of individual customer complaints has excluded complaints related to the "Card Breaking Action" carried out to crack down on new types of illegal and criminal activities via telecommunications networks and repeated complaints.

## Material Lawsuits or Arbitration Cases

During the reporting period, the Bank incurred no material lawsuits or arbitration cases. It was involved in several legal lawsuits and arbitration in its ordinary course of business. Most of these cases were initiated by the Bank to recover non-performing loans, while some were related to disputes with clients. As at 31 December 2024, the amount of cases pending judgments or arbitrations awards in which the Bank and/or its subsidiaries are defendants totaled RMB8,655 million, and the Bank does not expect any material adverse effect from the above-mentioned cases on the Bank's business, financial position or operating results.

## 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.

## Credit Standing

During the reporting period, neither the Bank nor its controlling shareholders had ever failed to fulfil obligations provided in effective legal documents issued by court for material lawsuits, nor had there been any outstanding debt of a significant amount.

## Implementation of Share Incentive Plan and Employee Stock Ownership Plan during the Reporting Period

During the reporting period, the Bank did not implement any share incentive plan or any employee stock ownership plan.

## Key Audit Matters

The Audit Committee has reviewed the key audit matters in the audit report and concluded that it is unnecessary to provide a supplementary explanation.

## Material Related Party Transactions

During the reporting period, the Bank did not enter into any material related party transactions.

Please refer to "Note 48. to the Consolidated Financial Statements: Related Party Disclosures" for details of the related party transactions defined under the laws and regulations of China and the relevant accounting standards.

## Material Contracts and Performance of Obligations thereunder

**Material Trust, Sub-contract and Lease** During the reporting period, the Bank had not held on trust to a material extent or entered into any material sub-contract or lease arrangement in respect of assets of other corporations, which were subject to disclosure, and no other corporation had held on trust to a material extent or entered into any material sub-contract or lease arrangement in respect of the Bank's assets, which were subject to disclosure.

**Material Guarantees** The provision of guarantees is in the ordinary course of business of the Bank. During the reporting period, the Bank did not have any material guarantee that needs to be disclosed except for the financial guarantee services within the business scope as approved by regulatory authorities.

**Other Material Contracts** During the reporting period, the Bank did not have any other material contracts which were subject to disclosure.

## External Guarantees

During the reporting period, the Bank did not enter any guarantee contract against the resolution procedures for external guarantees that are prescribed by laws, administrative regulations or the CSRC.

## Occupation of Fund by Controlling Shareholders and Other Related Parties

During the reporting period, none of the controlling shareholders and other related parties of the Bank occupied any fund of the Bank. The auditors have issued the Special Explanation on the Occupation of Fund by Controlling Shareholders and Other Related Parties of Industrial and Commercial Bank of China Limited in 2024.

## Commitments

As at 31 December 2024, all of the continuing commitments made by the shareholders were properly fulfilled and were listed as follows:

| Shareholder | Type of commitment | Time and term of commitment | Legal document under which the commitment is made | Commitment | Fulfillment of commitment |
|---|---|---|---|---|---|
| Huijin | Commitment of non-competition | October 2006/ No specific term | Prospectus of Industrial and Commercial Bank of China Limited on Initial Public Offering (A Share) | Provided that Huijin continues to hold any share of the Bank or is deemed as the controlling shareholder of the Bank or the related party of the controlling shareholder of the Bank according to the laws or listing rules of China or the listing place of the Bank, Huijin will not engage in or participate in any competitive commercial banking business including but not limited to granting loans, attracting deposits and providing settlement, fund custody, bank card and money exchange services. However, Huijin can engage in or participate in some competitive businesses by investing in other commercial banks. In this regard, Huijin has committed that it will: (1) fairly treat the investments in commercial banks and will not make any decision or judgment that will have adverse impact on the Bank or be beneficial to other commercial banks by taking advantage of the status of being a shareholder of the Bank or information obtained by taking advantage of the status of being a shareholder of the Bank; and (2) perform the shareholders' rights for the maximum interests of the Bank. | As at 31 December 2024, Huijin strictly fulfilled the above commitment and did not do anything in violation of the commitment. |
| | | November 2010/ No specific term | Prospectus on A Share Rights Issue of Industrial and Commercial Bank of China Limited | | |
| SSF | Commitment of performing the obligation of lock-up period for A shares | Taking effect from December 2019/ Above three years | Simplified Report of Changes in Equity of National Council for Social Security Fund | According to 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 SSF shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. | As at 31 December 2024, the SSF strictly fulfilled the above commitment and did not do anything in violation of the commitment. |

## Co-Investment and Cooperation with Specialized Investors

**Participation in Investing in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.** During the reporting period, the Bank signed the Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. The Bank intends to invest RMB21.5 billion in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., holding 6.25% of equity interest, and the investment is expected to be fully paid within 10 years from the date of registration and establishment of the fund company. The investment has been approved by the NFRA. China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. was officially established on 24 May 2024. The Bank paid an initial subscription of RMB1,075 million in July 2024.

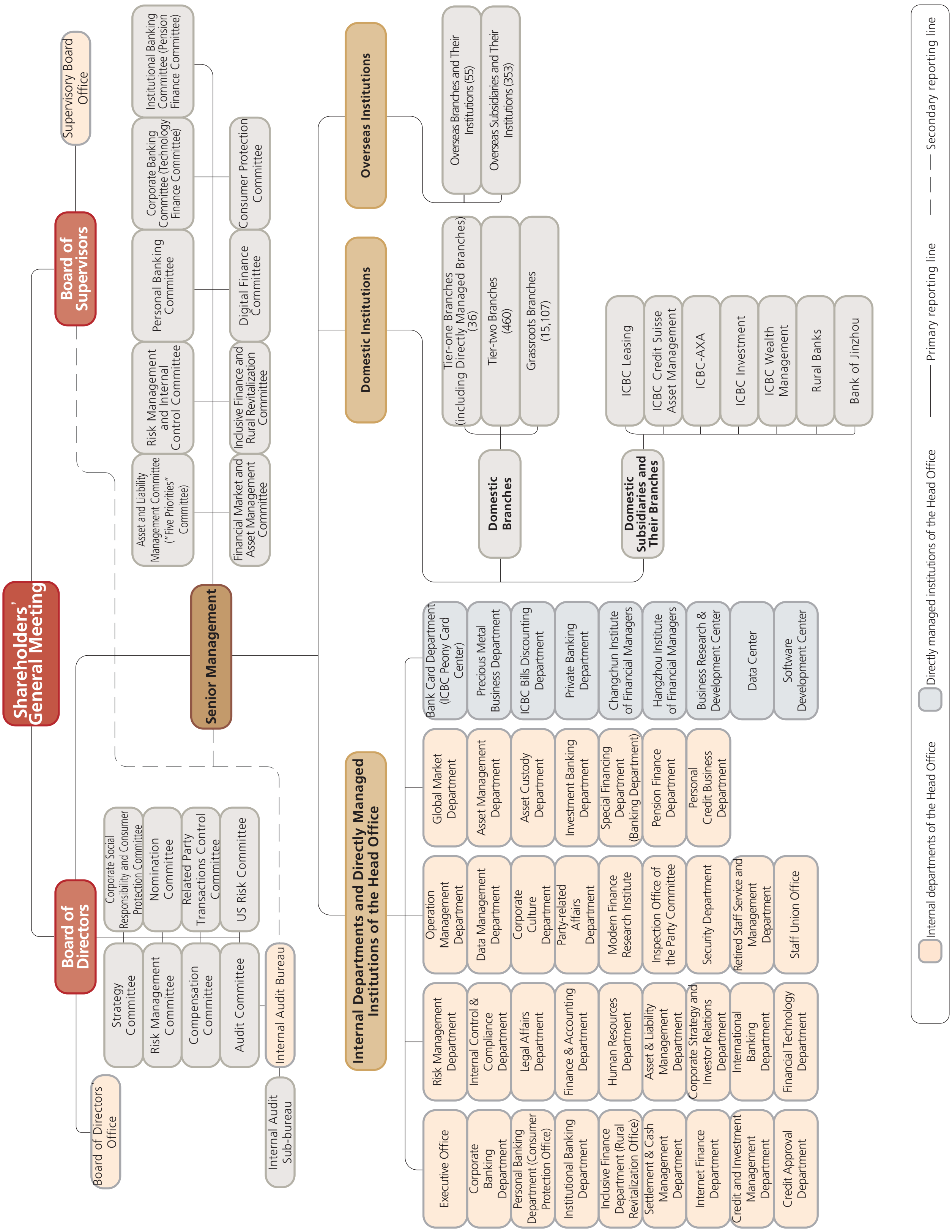
### Participation in Investing in National Green Development Fund Co., Ltd.

In July 2020, the Bank signed the Promoter's Agreement of the National Green Development Fund Co., Ltd. In April 2021, upon the approval of the former CBIRC, the Bank planned to contribute RMB8.0 billion to National Green Development Fund Co., Ltd., which shall be paid by instalments. In July 2024, the Bank completed the second tranche of the second contribution of RMB1.0 billion. The paid-in amount of contribution totaled RMB2.8 billion.

For details on the above-mentioned investments, 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.

**Disciplinary Actions** During the reporting period, the Bank was not subject to any case filing investigation for suspected crime, nor was any of its controlling shareholders, Directors, Supervisors and Senior Management members subject to coercive measures for suspected crime; neither the Bank nor its controlling shareholders, Directors, Supervisors and Senior Management members were subject to any criminal penalty or any case filing investigation by the CSRC for suspected illegality or irregularity or administrative penalty by the CSRC or material administrative penalty by other competent authority; none of its controlling shareholders, Directors, Supervisors and Senior Management members was held in retention by the disciplinary inspection and supervision organ because of suspected serious illegality or irregularity or work-related crime, which affected their duty performance; none of its Directors, Supervisors and Senior Management members was subject to coercive measures taken by other competent authority for suspected illegality or irregularity, which affected their duty performance; neither the Bank nor any of its controlling shareholders, Directors, Supervisors and Senior Management members was subject to any administrative or regulatory measures taken by the CSRC or disciplinary sanction imposed by stock exchanges.

# Organizational Chart




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

# Auditor's Report and Financial Statements

# Contents

EY 安永

**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 159 to 283, 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.

## Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Allowance for impairment losses on loans and advances to customers measured at amortised cost</td></tr>
<tr><td>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:<br><br>– Significant increase in credit risk – 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;<br><br>– 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;<br><br>– Forward-looking information-Macroeconomic forecasts are developed, and impacts on expected credit losses are considered for multiple probability-weighted macroeconomic scenarios;<br><br>– 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.</td><td>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:<br><br>– 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;<br><br>– 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.<br><br>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.</td></tr>
</table>

## Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Allowance for impairment losses on loans and advances to customers measured at amortised cost (continued)*** | |
| 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.<br><br>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. | 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:<br><br>– 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;<br><br>– 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;<br><br>– 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.<br><br>We inspected and assessed the appropriateness of disclosures of expected credit losses in the financial statements. |

## Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Consolidation of structured entities*** | |
| 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.<br><br>The assessment of the Group's control over structured entities involves significant judgements on factors such as the purpose and design of structured entities, the Group's ability to direct relevant activities, direct and indirect beneficial interests and returns, performance fees, and 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.<br><br>Refer to Note 4(2), Note 5 and Note 43 to the consolidated financial statements for relevant disclosures. | 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.<br><br>We assessed the reasonableness of the Group's analysis and judgment of consolidation of structured entities through the following procedures:<br><br>– 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;<br><br>– 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.<br><br>We checked and assessed the appropriateness of the financial statement disclosures in relation to the consolidation of structured entities. |

## Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Fair value of financial instruments*** | |
| 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.<br><br>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.<br><br>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.<br><br>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. | 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.<br><br>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.<br><br>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.<br><br>We checked and assessed the appropriateness of the financial statement disclosures in relation to the fair value of instruments. |

## Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***IT systems and control related to financial reporting*** | |
| As a large commercial banking group, the Group operates highly complex IT systems.<br><br>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.<br><br>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.<br><br>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. | 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:<br><br>– Evaluated and tested the design and operating effectiveness of key internal control over the IT systems related to financial reporting;<br><br>– Evaluated and tested the design and operating effectiveness of automated control related to significant accounts and assertions or risk of material misstatement;<br><br>– 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;<br><br>– 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. |

## 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.

## 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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 *Cheong Ming Yik, Hoffman*.

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

# 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) |
| **NET INTEREST INCOME** | 6 | 637,405 | 655,013 |
| Fee and commission income | | 126,177 | 137,891 |
| Fee and commission expense | | (16,780) | (18,534) |
| **NET FEE AND COMMISSION INCOME** | 7 | 109,397 | 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) |
| **OPERATING INCOME** | | 786,126 | 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) |
| **OPERATING PROFIT** | | 417,308 | 416,944 |
| Share of results of associates and joint ventures | | 4,519 | 5,022 |
| **PROFIT BEFORE TAXATION** | | 421,827 | 421,966 |
| Income tax expense | 15 | (54,881) | (56,850) |
| **PROFIT FOR THE YEAR** | | 366,946 | 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 |
| **PROFIT FOR THE YEAR** | | 366,946 | 365,116 |
| **EARNINGS PER SHARE** | 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.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024
(In RMB millions, unless otherwise stated)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Profit for the year | | 366,946 | 365,116 |
| 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 | | 24 | (28) |
| (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 | | (15,246) | (5,145) |
| Subtotal of other comprehensive income for the year | | 51,189 | 19,227 |
| Total comprehensive income for the year | | 418,135 | 384,343 |
| Total comprehensive income for the year attributable to: | | | |
| Equity holders of the parent company | | 418,252 | 383,921 |
| Non-controlling interests | | (117) | 422 |
| | | 418,135 | 384,343 |

The accompanying notes form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2024
(In RMB millions, unless otherwise stated)

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| 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 |
| **TOTAL ASSETS** | | **48,821,746** | **44,697,079** |

The accompanying notes form part of these consolidated financial statements.

(In RMB millions, unless otherwise stated)

| | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **LIABILITIES** | | | |
| 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 |
| **TOTAL LIABILITIES** | | **44,834,480** | **40,920,491** |
| **EQUITY** | | | |
| 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 | | 2,014,086 | 1,912,067 |
| | | 3,969,841 | 3,756,887 |
| Non-controlling interests | | 17,425 | 19,701 |
| **TOTAL EQUITY** | | 3,987,266 | 3,776,588 |
| **TOTAL EQUITY AND LIABILITIES** | | **48,821,746** | **44,697,079** |

**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.

# 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 | | | | | | | | | | | |
| | 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 | Retained profits | Total | Non-controlling interests | Total equity |
| 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** | **356,407** | **324,344** | **148,234** | **464,365** | **614,816** | **76,965** | **(6,092)** | **(4,181)** | **(19,103)** | **1,275,004** | **2,014,086** | **3,969,841** | **17,425** | **3,987,266** |

(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.

For the year ended 31 December 2024
(In RMB millions, unless otherwise stated)

| | Attributable to equity holders of the parent company | | | | | | | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Reserves | | | | | | | | | | | |
| | 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 | Retained profits | Total | | |
| 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.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2024
(In RMB millions, unless otherwise stated)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| 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) |
| | | 216,633 | 266,821 |
| 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) |
| | | (2,035,485) | (3,098,980) |
| 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 |
| | | 2,483,349 | 4,336,481 |
| Net cash flows from operating activities before taxation | | 664,497 | 1,504,322 |
| Income tax paid | | (85,303) | (87,320) |
| Net cash flows from operating activities | | 579,194 | 1,417,002 |

The accompanying notes form part of these consolidated financial statements.

(In RMB millions, unless otherwise stated)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| 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 | – |
| Net cash flows from investing activities | | (1,471,468) | (891,852) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| 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) |
| Net cash flows from financing activities | | 415,683 | 285,444 |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | (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 |
| **CASH AND CASH EQUIVALENTS AT END OF THE YEAR** | 42 | 2,290,404 | 2,755,732 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:** | | | |
| Interest received | | 1,121,140 | 1,117,401 |
| Interest paid | | (679,124) | (617,791) |

The accompanying notes form part of these consolidated financial statements.

## 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.

## 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.

### (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*[3]

– IFRS 19: *Subsidiaries without Public Accountability: Disclosures*[3]

– Amendments to IFRS 9 and IFRS 7: *Classification and Measurement of Financial Instruments*[2]

– Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

– Amendments to IAS 21: *Lack of Exchangeability*[1]

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 IFRS18 is expected to have no material impact on the financial position and financial performance of the Group.

***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.

## 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.

## (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.

## (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.

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.

## (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.

## (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.

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.

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.

### *(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.

### *(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.

## (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.

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.

## (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.

#### 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.

## (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.

### *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.

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.

### *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.

## (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.

### *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.

## (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.

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.

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.

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.

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.

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:

| | Estimated useful life | Estimated residual value rate | Annual depreciation rate |
|---|---|---|---|
| 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.

### (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.

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.

## (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.

## (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.

(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.

### *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.

### *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.

### *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.

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.

## 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.

(In RMB millions, unless otherwise stated)

## 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.

## 6. NET INTEREST INCOME

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

(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.

(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 |
| | 126,177 | 137,891 |
| Fee and commission expense | (16,780) | (18,534) |
| Net fee and commission income | 109,397 | 119,357 |

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) |
| | 19,440 | 14,928 |

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.

## 9. NET GAINS ON FINANCIAL INVESTMENTS

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

(In RMB millions, unless otherwise stated)

## 10. OTHER OPERATING EXPENSE, NET

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

## 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 |
| | 144,554 | 141,405 |
| 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 |
| | 27,274 | 28,534 |
| 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 |
| | 242,155 | 238,698 |

(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.

## 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:

| | | Year ended 31 December 2024 | | | |
|---|---|---|---|---|---|
| Name | Position | 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) | Total remuneration before tax RMB'000 (4)=(1)+(2)+(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 Zuliu 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 |
| Total | | 1,782 | 642 | 3,007 | 5,431 |

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.

| | | Year ended 31 December 2023 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Name | Position | Fees | Remuneration | Discretionary bonuses | Contribution by the employer to social insurance, housing allowance, annuities and additional medical insurances | Total emoluments before tax | Of which: deferred payment | Actual amount of remuneration before tax paid |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | (1) | (2) | (3) | (4) | (5)=(1)+(2)+(3)+(4) | (6) | (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 Liqun | 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 Zuliu 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 | – | – | – | – | – | – | – |
| Total | | 2,890 | 1,200 | 1,658 | 728 | 6,476 | – | 6,476 |

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).

## 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<br>RMB'000 | 2023<br>RMB'000 |
|---|---|---|
| Salaries and allowances | 20,136 | 16,672 |
| Discretionary bonuses | 38,003 | 59,475 |
| Others | 505 | 430 |
| | 58,644 | 76,577 |

The number of these individuals whose emoluments fell within the following bands is set out below:

| | Number of employees | |
|---|---|---|
| | 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 |
| | 5 | 5 |

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).

## 14. CREDIT IMPAIRMENT LOSSES

| | 2024 | 2023 |
|---|---|---|
| Loans and advances to customers (Note 23) | 122,479 | 143,422 |
| Financial investments | | |
| Financial investments measured at amortised cost | (507) | 7,389 |
| Financial assets measured at FVTOCI | (675) | 568 |
| Credit commitments | 690 | (3,585) |
| Others | 3,752 | 1,014 |
| | 125,739 | 148,808 |

(In RMB millions, unless otherwise stated)

## 15. INCOME TAX EXPENSE

### (a) Income tax expense

| | 2024 | 2023 |
|---|---|---|
| Current income tax expense | | |
| Chinese mainland | 47,474 | 58,651 |
| Hong Kong SAR and Macao SAR | 1,389 | 1,191 |
| Other overseas jurisdictions | 4,998 | 5,211 |
| | 53,861 | 65,053 |
| Deferred income tax expense | 1,020 | (8,203) |
| | 54,881 | 56,850 |

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.

### (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 | 421,827 | 421,966 |
| 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 | (2,224) | (2,219) |
| Income tax expense | 54,881 | 56,850 |

(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).

## 17. DIVIDENDS

| | 2024 | 2023 |
|---|---|---|
| Dividends on ordinary shares declared and paid: | | |
| Interim dividends on ordinary shares for 2024: RMB0.1434 per share | 51,109 | – |
| Dividends on ordinary shares for 2023:RMB0.3064 per share (2022:RMB0.3035 per share) | 109,203 | 108,169 |
| Dividends or interests declared and paid to other equity instrument holders: | | |
| Dividends on preference shares | 5,819 | 5,842 |
| Interests on perpetual bonds distributed | 9,144 | 9,122 |
| | 14,963 | 14,964 |
| 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 | 58,664 | – |
| Dividends on ordinary shares for 2023:RMB0.3064 per share | – | 109,203 |

## 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 | (14,963) | (14,964) |
| Profit for the year attributable to ordinary shareholders of the parent company | 350,900 | 349,029 |
| Shares: | | |
| Weighted average number of ordinary shares in issue (in million shares) | 356,407 | 356,407 |
| Basic earnings per share (RMB yuan) | 0.98 | 0.98 |
| Diluted earnings per share (RMB yuan) | 0.98 | 0.98 |

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.

(In RMB millions, unless otherwise stated)

## 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 | 221,179 | 188,923 |
| Accrued interest | 1,658 | 1,822 |
| | 3,322,911 | 4,042,293 |

(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.

## 20. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Deposits with banks and other financial institutions: | | |
| Banks operating in Chinese mainland | 247,111 | 221,700 |
| Other financial institutions operating in Chinese mainland | 58,112 | 24,145 |
| Banks and other financial institutions operating outside Chinese mainland | 172,465 | 164,954 |
| Accrued interest | 3,777 | 3,885 |
| | 481,465 | 414,684 |
| Less: Allowance for impairment losses | (700) | (426) |
| | 480,765 | 414,258 |
| Placements with banks and other financial institutions: | | |
| Banks operating in Chinese mainland | 190,427 | 265,904 |
| Other financial institutions operating in Chinese mainland | 221,474 | 209,164 |
| Banks and other financial institutions operating outside Chinese mainland | 323,836 | 222,934 |
| Accrued interest | 7,021 | 7,591 |
| | 742,758 | 705,593 |
| Less: Allowance for impairment losses | (3,647) | (3,134) |
| | 739,111 | 702,459 |
| | 1,219,876 | 1,116,717 |

(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 | Fair values | | Notional | Fair values | |
| | amounts | Assets | Liabilities | amounts | 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) |
| | 17,887,466 | 222,361 | (197,795) | 11,249,693 | 75,339 | (76,251) |

### (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) |
| | 53,241 | 85,633 | 4,703 | 1 | 143,578 | 2,484 | (1,206) |

| | 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) |
| | 43,857 | 85,424 | 6,267 | 2 | 135,550 | 934 | (1,075) |

(In RMB millions, unless otherwise stated)

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) |
| | 77,919 | (64,551) | (1,445) | (4,313) |

(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) |
| | 74,876 | (69,390) | 127 | (2,868) |

(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.

## (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 | 521 | (1,988) |
| | (12) | (69) |

(In RMB millions, unless otherwise stated)

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 | | | | | 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 |
| 31 December 2024 | 2,362 | 11,249 | 34,319 | 10,692 | 58,622 | 2,083 | (256) |
| 31 December 2023 | 2,270 | 18,042 | 45,069 | 17,020 | 82,401 | 2,955 | (416) |

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 |
| | 53,620 | (3,807) | (414) | 39 |

(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) | – |
| | 80,505 | (1,404) | (885) | 62 |

(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.

## (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.

(In RMB millions, unless otherwise stated)

### (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 | 83,641 | 25,144 | 71,381 | 24,048 |
| Derivative financial liabilities | 83,971 | 27,845 | 72,958 | 26,884 |

### (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 | 117,495 | 86,521 |
| *Including: Non-netting settled credit default risk-weighted assets* | 69,662 | 48,975 |
| *Netting settled credit default risk-weighted assets* | 47,833 | 37,546 |
| Credit value adjustment risk-weighted assets | 42,112 | 36,563 |
| Central counterparties credit risk-weighted assets | 3,667 | 4,678 |
| | 163,274 | 127,762 |

## 22. REVERSE REPURCHASE AGREEMENTS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Measured at amortised cost: | | |
| Reverse repurchase agreements-bills | 188,935 | 109,077 |
| Reverse repurchase agreements-securities | 1,000,277 | 1,073,854 |
| Accrued interest | 721 | 909 |
| Less: Allowance for impairment losses | (33) | (97) |
| | 1,189,900 | 1,183,743 |
| Measured at FVTPL: | | |
| Reverse repurchase agreements-securities and cash advanced as collateral on securities borrowing | 20,317 | 40,514 |
| | 1,210,217 | 1,224,257 |

(In RMB millions, unless otherwise stated)

## 23. LOANS AND ADVANCES TO CUSTOMERS

### 23.1 Loans and advances to customers by type of measurement:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Measured at amortised cost: | | |
| Corporate loans and advances | 17,460,342 | 16,128,752 |
| —Loans | 17,289,398 | 15,940,237 |
| —Finance lease | 170,944 | 188,515 |
| Personal loans | 8,957,720 | 8,653,621 |
| Discounted bills | 1,351 | 2,755 |
| Accrued interest | 56,447 | 56,117 |
| | 26,475,860 | 24,841,245 |
| Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost (Note 23.2(a)) | (815,072) | (756,001) |
| | 25,660,788 | 24,085,244 |
| Measured at FVTOCI: | | |
| Corporate loans and advances | | |
| —Loans | 16,876 | 10,348 |
| Discounted bills | 1,930,935 | 1,284,902 |
| Accrued interest | 177 | 335 |
| | 1,947,988 | 1,295,585 |
| Measured at FVTPL: | | |
| Corporate loans and advances | | |
| —Loans | 5,005 | 6,104 |
| | 27,613,781 | 25,386,933 |

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).

(In RMB millions, unless otherwise stated)

## 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 |
| Balance at 31 December 2024 | 354,083 | 156,502 | 304,487 | 815,072 |

| | 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) |
| Balance at 31 December 2023 | 342,730 | 156,240 | 257,031 | 756,001 |

(In RMB millions, unless otherwise stated)

### (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) |
| Balance at 31 December 2024 | 353 | 51 | 21 | 425 |

| | 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 |
| Balance at 31 December 2023 | 361 | – | 29 | 390 |

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).

## 24. FINANCIAL INVESTMENTS

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Financial investments measured at FVTPL | (a) | 1,010,439 | 811,957 |
| Financial investments measured at FVTOCI | (b) | 3,291,152 | 2,230,862 |
| Financial investments measured at amortised cost | (c) | 9,851,985 | 8,806,849 |
| | | 14,153,576 | 11,849,668 |

(In RMB millions, unless otherwise stated)

### (a) Financial investments measured at FVTPL

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **Financial investments held for trading** | | |
| Debt securities (analysed by type of issuers): | | |
| Governments and central banks | 395,728 | 186,993 |
| Policy banks | 27,272 | 21,338 |
| Banks and other financial institutions | 73,431 | 64,517 |
| Corporate entities | 67,721 | 84,302 |
| | 564,152 | 357,150 |
| Equity investments | 18,048 | 14,650 |
| | 582,200 | 371,800 |
| **Financial investments designated as at FVTPL** | | |
| Debt securities (analysed by type of issuers): | | |
| Governments and central banks | 6,904 | 372 |
| Banks and other financial institutions | 184 | 181 |
| Corporate entities | 653 | 222 |
| | 7,741 | 775 |
| Funds and other investments | 34,735 | 42,868 |
| | 42,476 | 43,643 |
| **Other financial investments measured at FVTPL** | | |
| Debt securities (analysed by type of issuers): | | |
| Policy banks | 8,416 | 13,037 |
| Banks and other financial institutions | 156,979 | 166,690 |
| Corporate entities | 1,693 | 2,517 |
| | 167,088 | 182,244 |
| Equity investments | 93,719 | 90,396 |
| Funds and other investments | 124,956 | 123,874 |
| | 385,763 | 396,514 |
| | 1,010,439 | 811,957 |
| **Analysed into:** | | |
| Debt securities: | | |
| Listed in Hong Kong SAR | 4,375 | 3,204 |
| Listed outside Hong Kong SAR | 29,227 | 20,629 |
| Unlisted | 705,379 | 516,336 |
| | 738,981 | 540,169 |

(In RMB millions, unless otherwise stated)

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Equity investments: | | |
| Listed in Hong Kong SAR | 3,582 | 2,937 |
| Listed outside Hong Kong SAR | 24,348 | 27,188 |
| Unlisted | 83,837 | 74,921 |
| | 111,767 | 105,046 |
| Funds and other investments: | | |
| Listed in Hong Kong SAR | 4,913 | 3,353 |
| Listed outside Hong Kong SAR | 5,791 | 2,393 |
| Unlisted | 148,987 | 160,996 |
| | 159,691 | 166,742 |
| | 1,010,439 | 811,957 |

## (b) Financial investments measured at FVTOCI

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Debt securities (analysed by type of issuers): | | |
| Governments and central banks | 1,673,679 | 1,076,400 |
| Policy banks | 512,411 | 184,168 |
| Banks and other financial institutions | 398,174 | 293,463 |
| Corporate entities | 588,449 | 566,522 |
| Accrued interest | 27,787 | 22,099 |
| | 3,200,500 | 2,142,652 |
| Other debt investments | 5,426 | 5,421 |
| Equity investments | 85,226 | 82,789 |
| | 3,291,152 | 2,230,862 |
| **Analysed into:** | | |
| Debt securities: | | |
| Listed in Hong Kong SAR | 146,519 | 123,348 |
| Listed outside Hong Kong SAR | 389,928 | 339,324 |
| Unlisted | 2,664,053 | 1,679,980 |
| | 3,200,500 | 2,142,652 |
| Other debt investments: | | |
| Unlisted | 5,426 | 5,421 |
| Equity investments: | | |
| Listed in Hong Kong SAR | 11,398 | 5,681 |
| Listed outside Hong Kong SAR | 4,899 | 4,363 |
| Unlisted | 68,929 | 72,745 |
| | 85,226 | 82,789 |
| | 3,291,152 | 2,230,862 |

(In RMB millions, unless otherwise stated)

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).

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 |
| Balance at 31 December 2024 | 4,565 | 635 | 3,825 | 9,025 |

| | 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) |
| Balance at 31 December 2023 | 4,835 | 964 | 3,769 | 9,568 |

(In RMB millions, unless otherwise stated)

## (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 |
| | 9,873,495 | 8,831,683 |
| Other investments (iii) | 16,877 | 13,869 |
| Accrued interest | 16 | 16 |
| | 16,893 | 13,885 |
| | 9,890,388 | 8,845,568 |
| Less: Allowance for impairment losses | (38,403) | (38,719) |
| | 9,851,985 | 8,806,849 |
| **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 |
| | 9,838,134 | 8,795,595 |
| Other investments: | | |
| Unlisted | 13,851 | 11,254 |
| | 13,851 | 11,254 |
| | 9,851,985 | 8,806,849 |
| Market value of listed securities | 269,046 | 236,482 |

(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.

(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 a 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.

(In RMB millions, unless otherwise stated)

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 |
| Balance at 31 December 2024 | 35,540 | 11 | 2,852 | 38,403 |

| | 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) |
| Balance at 31 December 2023 | 36,009 | 11 | 2,699 | 38,719 |

## 25. INVESTMENTS IN SUBSIDIARIES

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Listed investments, at cost | 2,712 | 2,712 |
| Unlisted investments, at cost | 160,571 | 160,571 |
| | 163,283 | 163,283 |

(In RMB millions, unless otherwise stated)

Particulars of the Group's principal subsidiaries as at the end of the reporting period are as follows:

| Name | Percentage of equity interest % 31 December 2024 | Percentage of equity interest % 31 December 2023 | Nominal value of issued share/ paid-in capital 31 December 2024 | Amount invested by the bank | Place of incorporation/ registration and operation | Principal activities |
|---|---|---|---|---|---|---|
| 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 (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.

(In RMB millions, unless otherwise stated)

## 26. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Interests in associates | 71,072 | 61,868 |
| Interests in joint ventures | 2,285 | 2,910 |
| | 73,357 | 64,778 |

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Share of net assets | 59,428 | 50,973 |
| Goodwill | 14,448 | 14,324 |
| | 73,876 | 65,297 |
| Less: Allowance for impairment losses | (519) | (519) |
| | 73,357 | 64,778 |

### (a) Carrying value of the Group's associates and joint ventures are as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Standard Bank | 26,946 | 25,394 |
| Others | 46,411 | 39,384 |
| | 73,357 | 64,778 |

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%).

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:

| | As at/year ended 31 December 2024 | As at/year ended 31 December 2023 |
|---|---|---|
| **The associate** | | |
| Assets | 1,271,730 | 1,174,552 |
| Liabilities | 1,157,892 | 1,068,458 |
| Net assets | 113,838 | 106,094 |
| Profit from continuing operations | 17,009 | 17,129 |
| **Equity method of the associate** | | |
| Net assets of the associate attributable to the parent company | 97,422 | 91,062 |
| Group's effective interest | 19.59% | 19.39% |
| Group's share of net assets of the associate | 19,085 | 17,657 |
| Goodwill | 8,209 | 8,085 |
| Closing balance of the Group's interest in Standard Bank in the consolidated statement of financial position | 27,294 | 25,742 |

(In RMB millions, unless otherwise stated)

## (b) Movements of associates and joint ventures investments of the Group are as follows:

| | | Movements during 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 | Balance at end of the year | Balance of allowance for impairment at end of the year |
| 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) |

## 27. PROPERTY AND EQUIPMENT

| | Properties and buildings | Construction in progress | Leasehold improvements | Office equipment and motor vehicles | Aircraft and vessels | Total |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| 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 | 195,703 | 24,220 | 14,980 | 83,758 | 203,773 | 522,434 |
| Additions | 1,383 | 10,449 | 811 | 7,142 | 17,701 | 37,486 |
| CIP transfer in/(out) | 3,291 | (6,099) | – | 121 | 2,687 | – |
| Disposals and other movements | 7,099 | (7,418) | (87) | (3,401) | (8,939) | (12,746) |
| At 31 December 2024 | 207,476 | 21,152 | 15,704 | 87,620 | 215,222 | 547,174 |
| Accumulated depreciation and allowance for impairment losses: | | | | | | |
| 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 | 87,937 | 34 | 13,120 | 68,149 | 54,316 | 223,556 |
| Depreciation charge for the year | 7,045 | – | 804 | 7,456 | 7,083 | 22,388 |
| Impairment charge for the year | – | – | – | – | 891 | 891 |
| Disposals and other movements | 2,780 | 1 | (96) | (3,069) | (1,664) | (2,048) |
| At 31 December 2024 | 97,762 | 35 | 13,828 | 72,536 | 60,626 | 244,787 |
| Carrying amount: | | | | | | |
| At 31 December 2023 | 107,766 | 24,186 | 1,860 | 15,609 | 149,457 | 298,878 |
| At 31 December 2024 | 109,714 | 21,117 | 1,876 | 15,084 | 154,596 | 302,387 |

(In RMB millions, unless otherwise stated)

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) |
| | 363,759 | 90,047 | 422,947 | 104,669 |

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 |
| | 17,883 | 4,278 | 16,386 | 3,930 |

(In RMB millions, unless otherwise stated)

## (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) |
| | 104,669 | (765) | (13,857) | 90,047 |

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 |
| | 3,930 | 255 | 93 | 4,278 |

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) |
| | 101,117 | 8,829 | (5,277) | 104,669 |

(In RMB millions, unless otherwise stated)

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 |
| | 3,950 | 626 | (646) | 3,930 |

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 | | 238,962 | 213,951 |
| Precious metals | | 208,907 | 140,230 |
| Right-of-use assets | (a) | 24,466 | 28,538 |
| Land use rights | | 13,960 | 14,438 |
| Good will | (b) | 19,566 | 9,357 |
| Advance payments | | 1,197 | 7,034 |
| Repossessed assets | (c) | 6,186 | 6,502 |
| Interest receivable | | 3,684 | 3,425 |
| Others | | 110,303 | 121,963 |
| | | 627,231 | 545,438 |
| Less: Allowance for impairment losses | | (13,998) | (11,891) |
| | | 613,233 | 533,547 |

(In RMB millions, unless otherwise stated)

## (a) Right-of-use assets

| | Properties and buildings | Aircraft and vessels | Office equipment and motor vehicles | Total |
|---|---|---|---|---|
| Cost: | | | | |
| 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 | 39,191 | 14,651 | 1,608 | 55,450 |
| Additions | 6,983 | – | 13 | 6,996 |
| Disposals and other movements | (2,567) | (3,888) | (1,162) | (7,617) |
| At 31 December 2024 | 43,607 | 10,763 | 459 | 54,829 |
| Accumulated depreciation: | | | | |
| 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 | 23,565 | 2,791 | 556 | 26,912 |
| 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 | 27,467 | 2,482 | 414 | 30,363 |
| Allowance for impairment losses: | | | | |
| At 1 January 2023 | 35 | 855 | – | 890 |
| Other movements | 1 | (325) | – | (324) |
| At 31 December 2023 and 1 January 2024 | 36 | 530 | – | 566 |
| Other movements | 1 | (89) | – | (88) |
| At 31 December 2024 | 37 | 441 | – | 478 |
| Carrying amount: | | | | |
| At 31 December 2023 | 15,590 | 11,330 | 1,052 | 27,972 |
| At 31 December 2024 | 16,103 | 7,840 | 45 | 23,988 |

## (b) Goodwill

| | 2024 | 2023 |
|---|---|---|
| At 1 January | 9,357 | 9,181 |
| Additions | 9,961 | – |
| Exchange difference | 248 | 176 |
| Subtotal | 19,566 | 9,357 |
| Less: Allowance for impairment losses | (401) | (390) |
| | 19,165 | 8,967 |

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.

(In RMB millions, unless otherwise stated)

### (c) Repossessed assets

| | 2024 | 2023 |
|---|---|---|
| Properties and buildings | 5,604 | 5,878 |
| Other | 582 | 624 |
| Subtotal | 6,186 | 6,502 |
| Less: Allowance for impairment losses | (2,974) | (3,116) |
| | 3,212 | 3,386 |

## 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 |
| Total | 884,252 | 126,663 | (86,683) | 13,856 | 9,250 | 947,338 |

(In RMB millions, unless otherwise stated)

| | 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 |
| Total | 797,251 | 150,816 | (78,471) | 15,141 | (485) | 884,252 |

## 31. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Deposits: | | |
| Banks and other financial institutions operating in Chinese mainland | 3,841,081 | 2,698,821 |
| Banks and other financial institutions operating outside Chinese mainland | 143,455 | 138,308 |
| Accrued interest | 36,001 | 4,256 |
| | 4,020,537 | 2,841,385 |
| Money market takings: | | |
| Banks and other financial institutions operating in Chinese mainland | 273,806 | 228,733 |
| Banks and other financial institutions operating outside Chinese mainland | 288,602 | 288,883 |
| Accrued interest | 8,020 | 10,857 |
| | 570,428 | 528,473 |
| | 4,590,965 | 3,369,858 |

(In RMB millions, unless otherwise stated)

## 32. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Financial liabilities related to precious metals and account-based investment products (i) | 61,362 | 51,843 |
| Debt securities issued (i) | 10,562 | 5,647 |
| Others | 4,132 | 5,369 |
| | 76,056 | 62,859 |

(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.

## 33. REPURCHASE AGREEMENTS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Measured at amortised cost: | | |
| Repurchase agreements-bills | 12,096 | 11,738 |
| Repurchase agreements-securities | 1,493,317 | 968,339 |
| Accrued interest | 17,427 | 9,855 |
| Subtotal | 1,522,840 | 989,932 |
| Measured at FVTPL: | | |
| Repurchase agreements-securities and cash received as collateral on securities lending | 715 | 28,174 |
| Total | 1,523,555 | 1,018,106 |

## 34. CERTIFICATES OF DEPOSIT

Certificates of deposit issued by certain of the Bank's overseas branches and subsidiaries are measured at amortised cost.

(In RMB millions, unless otherwise stated)

## 35. DUE TO CUSTOMERS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Demand deposits: | | |
| Corporate customers | 7,158,295 | 7,366,691 |
| Personal customers | 6,463,845 | 6,083,841 |
| | 13,622,140 | 13,450,532 |
| Time deposits: | | |
| Corporate customers | 8,349,110 | 8,843,237 |
| Personal customers | 12,077,665 | 10,481,727 |
| | 20,426,775 | 19,324,964 |
| Others | 228,721 | 210,185 |
| Accrued interest | 559,337 | 535,493 |
| | 34,836,973 | 33,521,174 |

As at 31 December 2024, the Group's pledged deposits included in above amounted to RMB142,531 million (31 December 2023: RMB171,113 million).

## 36. DEBT SECURITIES ISSUED

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Subordinated bonds, tier 2 capital bonds and total loss-absorbing capacity eligible non-capital bonds | (a) | | |
| Issued by the Bank | | 732,586 | 682,184 |
| Issued by subsidiaries | | 6,058 | 9,543 |
| Accrued interest | | 10,617 | 12,402 |
| | | 749,261 | 704,129 |
| Other debt securities | (b) | | |
| Issued by the Bank | | 1,192,573 | 554,931 |
| Issued by subsidiaries | | 84,843 | 108,393 |
| Accrued interest | | 2,045 | 2,324 |
| | | 1,279,461 | 665,648 |
| | | 2,028,722 | 1,369,777 |

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).

## (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 | Issue price (In RMB) | Issued and nominal amount (In RMB million) | Coupon rate | Value date | Maturity date | Circulation date |
|---|---|---|---|---|---|---|---|
| 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 |

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:

| | | | Issued price | Issued amount | Ending balance | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Issue date | Currency | (In original currency) | (In original currency) (million) | (In RMB) (million) | Coupon rate | Value date | Maturity date | Circulation date |
| 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.

## (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%.

(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%.

(In RMB millions, unless otherwise stated)

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%.

(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%.

## 37. OTHER LIABILITIES

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Settlement and clearing balances | | 374,945 | 296,443 |
| Insurance business liabilities | | 304,959 | 277,321 |
| Salaries, bonuses, allowances and subsidies payables | (a) | 45,269 | 44,768 |
| Provisions for credit commitments | (b) | 25,159 | 24,185 |
| Lease liabilities | (c) | 20,983 | 24,849 |
| Sundry tax payables | | 15,974 | 15,941 |
| Promissory notes | | 1,239 | 1,716 |
| Early retirement benefits | | 7 | 12 |
| Others | | 140,680 | 133,407 |
| | | 929,215 | 818,642 |

(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 | 17,897 | 5,634 | 654 | 24,185 |
| Transfer: | | | | |
| —to stage 1 | 113 | (113) | – | – |
| —to stage 2 | (204) | 204 | – | – |
| —to stage 3 | (76) | (7) | 83 | – |
| Charge/(reverse) for the year | 1,771 | (528) | (553) | 690 |
| Other movements | 314 | 54 | (84) | 284 |
| Balance at 31 December 2024 | 19,815 | 5,244 | 100 | 25,159 |

| | 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 |
| Balance at 31 December 2023 | 17,897 | 5,634 | 654 | 24,185 |

(c) Lease liabilities

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Less than one year | 6,741 | 8,073 |
| One to two years | 5,515 | 6,109 |
| Two to three years | 3,913 | 4,689 |
| Three to five years | 4,444 | 5,441 |
| More than five years | 2,145 | 3,023 |
| Undiscounted lease liabilities | 22,758 | 27,335 |
| Closing balance of lease liabilities | 20,983 | 24,849 |

## 38. SHARE CAPITAL

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Number of shares (millions) | Nominal value | Number of shares (millions) | Nominal value |
| Issued and fully paid: | | | | |
| H shares of RMB1 Yuan each | 86,795 | 86,795 | 86,795 | 86,795 |
| A shares of RMB1 Yuan each | 269,612 | 269,612 | 269,612 | 269,612 |
| | 356,407 | 356,407 | 356,407 | 356,407 |

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.

# 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 | 70,000 | None | Mandatory | No |
| Total | | | | | | | 134,716 | | | |

### *(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.

#### (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.

### (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.

### (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

| Financial instruments outstanding | 1 January 2024 Amount (million shares) | 1 January 2024 In original currency (million) | 1 January 2024 In RMB (million) | Movement during the year Amount (million shares) | Movement during the year In original currency (million) | Movement during the year In RMB (million) | 31 December 2024 Amount (million shares) | 31 December 2024 In original currency (million) | 31 December 2024 In RMB (million) |
|---|---|---|---|---|---|---|---|---|---|
| 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 |
| Total | | | 134,716 | | | – | | | 134,716 |

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).

## (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 | 50,000 | None | None | No |
| Total | | | | | | | 189,793 | | | |

(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.

### (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.

### (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.

### *(c) Changes in perpetual bonds outstanding*

| | 1 January 2024 | | | Movement during the year | | | 31 December 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| Financial instruments outstanding | 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) |
| 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 |
| Total | | | 219,793 | | | (30,000) | | | 189,793 |

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).

## (3) Interests attributable to equity instruments' holders

| Items | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| 1. | Total equity attributable to equity holders of the parent company | 3,969,841 | 3,756,887 |
| | (1) Equity attributable to ordinary shareholders of the parent company | 3,645,497 | 3,402,556 |
| | (2) Equity attributable to other equity instrument holders of the parent company | 324,344 | 354,331 |
| 2. | Total equity attributable to non-controlling interests | 17,425 | 19,701 |
| | (1) Equity attributable to ordinary shareholders of non-controlling interests | 16,553 | 19,701 |
| | (2) Equity attributable to other equity instrument holders of non-controlling interests | 872 | – |

## 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.

### (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.

(In RMB millions, unless otherwise stated)

### (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.

### (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 | 21,704 | 1,633 | (3,659) | 19,678 |
| 31 December 2023 and 1 January 2024 | 24,047 | (15,608) | (12,517) | (4,078) |
| Movement during the year | 52,918 | 9,516 | (10,661) | 51,773 |
| 31 December 2024 | 76,965 | (6,092) | (23,178) | 47,695 |

(In RMB millions, unless otherwise stated)

### (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 | (319) | (218) |
| | 3,769 | 1,530 |
| (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 | (18,923) | (5,818) |
| | 54,514 | 21,104 |
| (ii) Credit losses of debt instruments measured at FVTOCI | (469) | 98 |
| Less: Income tax effect | 200 | 107 |
| | (269) | 205 |
| (iii) Cash flow hedging reserve: | | |
| Gain during the year | (1,445) | 126 |
| Less: Income tax effect | 113 | (9) |
| | (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 | (15,246) | (5,145) |
| | 51,189 | 19,227 |

## 42. CASH AND CASH EQUIVALENTS

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Cash on hand | 72,069 | 66,699 |
| Balances with central banks other than restricted deposits | 393,112 | 952,050 |
| Deposits with banks and other financial institutions with original maturity of three months or less | 402,017 | 331,464 |
| Placements with banks and other financial institutions with original maturity of three months or less | 325,554 | 272,302 |
| Reverse repurchase agreements with original maturity of three months or less | 1,097,652 | 1,133,217 |
| | 2,290,404 | 2,755,732 |

(In RMB millions, unless otherwise stated)

## 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.

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:

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Carrying amount | Maximum exposure | Carrying amount | Maximum exposure |
| Investment funds | 36,587 | 36,587 | 38,421 | 38,421 |
| Asset management plans and asset-backed securities | 74,943 | 74,943 | 85,277 | 85,277 |
| Trust plans | 30,476 | 30,476 | 35,859 | 35,859 |
| | 142,006 | 142,006 | 159,557 | 159,557 |

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:

| | 31 December 2024 | | |
|---|---|---|---|
| | Financial investments measured at FVTPL | Financial investments measured at FVTOCI | Financial investments measured at amortised cost |
| Investment funds | 36,450 | 137 | – |
| Asset management plans and asset-backed securities | 27,921 | 31,317 | 15,705 |
| Trust plans | 7,143 | 19,919 | 3,414 |
| | 71,514 | 51,373 | 19,119 |

| | 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 |
| | 84,538 | 46,405 | 28,614 |

### (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.

### (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.

### 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).

## 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.

(In RMB millions, unless otherwise stated)

## 47. COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Capital commitments

At the end of the reporting period, the Group had capital commitments as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---:|---:|
| Contracted but not provided for | 19,469 | 26,804 |

### (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.

| | 31 December 2024 | 31 December 2023 |
|---|---:|---:|
| Bank acceptances | 908,973 | 804,061 |
| Guarantees issued | | |
| —Financing letters of guarantees | 40,259 | 32,048 |
| —Non-financing letters of guarantees | 625,887 | 540,709 |
| Sight letters of credit | 51,318 | 53,099 |
| Usance letters of credit | 151,732 | 148,803 |
| Loan commitments | | |
| —With an original maturity of under one year | 43,586 | 34,841 |
| —With an original maturity of one year or over | 415,557 | 443,749 |
| Undrawn credit card limits | 1,166,166 | 1,126,870 |
| | 3,403,478 | 3,184,180 |
| Credit risk-weighted assets of credit commitments | 1,190,347 | 1,158,895 |

(In RMB millions, unless otherwise stated)

## (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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Within one year | 16,846 | 18,228 |
| Over one year but within two years | 15,033 | 16,037 |
| Over two years but within three years | 13,239 | 14,878 |
| Over three years but within five years | 22,993 | 23,914 |
| Over five years | 44,569 | 51,414 |
| | 112,680 | 124,471 |

## (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.

## (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

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Designated funds | 4,586,796 | 3,857,252 |
| Designated loans | 4,586,664 | 3,857,046 |

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.

(In RMB millions, unless otherwise stated)

### (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.

## 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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balances at end of the year: | | |
| The PRC government bonds and the special government bond | 3,325,998 | 2,365,572 |

| | 2024 | 2023 |
|---|---|---|
| Transactions during the year: | | |
| Interest income on the government bonds | 64,747 | 53,525 |

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".

### (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.

(In RMB millions, unless otherwise stated)

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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balances at end of the year: | | |
| Debt securities purchased | 59,573 | 41,036 |
| Loans and advances to customers | 68,139 | 12,009 |
| Due to customers | 35,642 | 19,374 |

| | 2024 | 2023 |
|---|---|---|
| Transactions during the year: | | |
| Interest income on debt securities purchased | 1,377 | 1,397 |
| Interest income on loans and advances to customers | 2,074 | 421 |
| Interest expense on amounts due to customers | 381 | 70 |

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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balances at end of the year: | | |
| Debt securities purchased | 1,153,794 | 821,752 |
| Due from banks and other financial institutions | 273,219 | 212,218 |
| Reverse repurchase agreements | 84,763 | 79,687 |
| Loans and advances to customers | 2,544 | 3,240 |
| Derivative financial assets | 6,206 | 8,058 |
| Due to banks and other financial institutions | 396,947 | 336,930 |
| Repurchase agreements | 3,400 | 3,400 |
| Derivative financial liabilities | 31,419 | 7,582 |
| Due to customers | 12,947 | 10,420 |
| Credit commitments | 7,924 | 7,026 |

| | 2024 | 2023 |
|---|---|---|
| Transactions during the year: | | |
| Interest income on debt securities purchased | 27,655 | 27,829 |
| Interest income on amounts due from banks and other financial institutions | 2,849 | 1,554 |
| Interest income on reverse repurchase agreements | 35 | 87 |
| Interest income on loans and advances to customers | 74 | 70 |
| Interest expense on amounts due to banks and other financial institutions | 5,004 | 2,539 |
| Interest expense on repurchase agreements | 4 | 0 |
| Interest expense on amounts due to customers | 228 | 123 |

(In RMB millions, unless otherwise stated)

## (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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balances at end of the year: | | |
| Due to customers | 75,360 | 64,000 |

| | 2024 | 2023 |
|---|---|---|
| Transactions during the year: | | |
| Interest expense on amounts due to customers | 2,560 | 2,306 |

## (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 | 26,354 | 42,500 |

| | 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 | 3,788 | 4,611 |

The major balances and transactions with subsidiaries have been eliminated in the consolidated financial statements.

(In RMB millions, unless otherwise stated)

## (e) Associates and affiliates

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Balances at end of the year: | | |
| Debt securities purchased | – | 11,279 |
| Due from banks and other financial institutions | 722 | 6,066 |
| Reverse repurchase agreements | 1,837 | 3,264 |
| Loans and advances to customers | 4,894 | 4,278 |
| Derivative financial assets | 1,825 | 2,436 |
| Due to banks and other financial institutions | 2,554 | 4,120 |
| Due to customers | 2,968 | 1,089 |
| Derivative financial liabilities | 1,587 | 2,271 |
| Credit commitments | 8,293 | 4,293 |

| | 2024 | 2023 |
|---|---|---|
| Transactions during the year: | | |
| Interest income on debt securities purchased | 133 | 274 |
| Interest income on amounts due from banks and other financial institutions | 22 | 50 |
| Interest income on reverse repurchase agreements | – | 1 |
| Interest income on loans and advances to customers | 237 | 174 |
| Interest expense on amounts due to banks and other financial institutions | 297 | 41 |
| Interest expense on amounts due to customers | 22 | 46 |

Transactions between the Group and the aforementioned parties were conducted under normal commercial terms and conditions and priced based on market rates.

## (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 | 139 | 32 |

| | 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 | 3 | 0 |

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.

## (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:

| | 2024<br>In RMB'000 | 2023<br>In RMB'000 |
|---|---|---|
| Salaries and benefits | 12,972 | 17,152 |

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.

(In RMB millions, unless otherwise stated)

### (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.

### (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.

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Balance | Percentage | Balance | Percentage |
| Financial investments | 4,539,365 | 32.07% | 3,239,639 | 27.34% |
| Due from banks and other financial institutions | 273,941 | 22.46% | 218,284 | 19.55% |
| Reverse repurchase agreements | 86,600 | 7.16% | 82,951 | 6.78% |
| Loans and advances to customers | 75,794 | 0.27% | 19,776 | 0.08% |
| Derivative financial assets | 8,031 | 3.61% | 10,494 | 13.93% |
| Due to banks and other financial institutions | 400,144 | 8.72% | 341,658 | 10.14% |
| Repurchase agreements | 3,400 | 0.22% | 3,400 | 0.33% |
| Derivative financial liabilities | 33,006 | 16.69% | 9,853 | 12.92% |
| Due to customers | 127,056 | 0.36% | 94,915 | 0.28% |
| Credit commitments | 16,217 | 0.48% | 11,319 | 0.36% |

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | Percentage | Amount | Percentage |
| Interest income | 99,230 | 6.95% | 85,399 | 6.08% |
| Interest expense | 8,503 | 1.08% | 5,131 | 0.68% |

## 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.

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.

(In RMB millions, unless otherwise stated)

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Personal banking | Treasury operations | Others | Total |
| 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 |

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Personal banking | Treasury operations | Others | Total |
| 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 | | | | | 90,047 |
| Total assets | | | | | 48,821,746 |
| Segment liabilities | 16,419,197 | 19,534,790 | 8,684,636 | 159,699 | 44,798,322 |
| Unallocated liabilities | | | | | 36,158 |
| Total liabilities | | | | | 44,834,480 |
| Other segment information: | | | | | |
| Credit commitments | 2,238,406 | 1,165,072 | – | – | 3,403,478 |

(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.

(In RMB millions, unless otherwise stated)

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Personal banking | Treasury operations | Others | Total |
| 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 | | | | | 365,116 |
| 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 |

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Corporate banking | Personal banking | Treasury operations | Others | Total |
| 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 | | | | | 104,669 |
| Total assets | | | | | 44,697,079 |
| Segment liabilities | 16,989,789 | 17,454,497 | 6,226,481 | 182,472 | 40,853,239 |
| Unallocated liabilities | | | | | 67,252 |
| Total liabilities | | | | | 40,920,491 |
| Other segment information: | | | | | |
| Credit commitments | 2,058,377 | 1,125,803 | – | – | 3,184,180 |

(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.

(In RMB millions, unless otherwise stated)

## (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.

| | 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chinese mainland (HO and domestic branches) | | | | | | | | | |
| | Head Office | Yangtze River Delta | Pearl River Delta | Bohai Rim | Central China | Western China | Northeastern China | Overseas and others | Eliminations | Total |
| 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 |

(In RMB millions, unless otherwise stated)

| | 31 December 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chinese mainland (HO and domestic branches) | | | | | | | | | |
| | Head Office | Yangtze River Delta | Pearl River Delta | Bohai Rim | Central China | Western China | Northeastern China | Overseas and others | Eliminations | Total |
| 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 | | | | | | | | | | 90,047 |
| Total assets | | | | | | | | | | 48,821,746 |
| 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 | | | | | | | | | | 36,158 |
| Total liabilities | | | | | | | | | | 44,834,480 |
| Other segment information: | | | | | | | | | | |
| Credit commitments | 1,182,427 | 1,809,734 | 1,083,228 | 1,190,983 | 859,622 | 954,749 | 178,126 | 834,035 | (4,689,426) | 3,403,478 |

(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.

| | 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chinese mainland (HO and domestic branches) | | | | | | | | | |
| | Head Office | Yangtze River Delta | Pearl River Delta | Bohai Rim | Central China | Western China | Northeastern China | Overseas and others | Eliminations | Total |
| 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 | | | | | | | | | | 365,116 |
| 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 | – | 43,033 |

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chinese mainland (HO and domestic branches) | | | | | | | | | |
| | Head Office | Yangtze River Delta | Pearl River Delta | Bohai Rim | Central China | Western China | Northeastern China | Overseas and others | Eliminations | Total |
| 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 | | | | | | | | | | 104,669 |
| Total assets | | | | | | | | | | 44,697,079 |
| 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 | | | | | | | | | | 67,252 |
| Total liabilities | | | | | | | | | | 40,920,491 |
| Other segment information: | | | | | | | | | | |
| Credit commitments | 1,140,709 | 1,742,306 | 1,132,348 | 1,305,493 | 735,849 | 878,791 | 170,587 | 788,274 | (4,710,177) | 3,184,180 |

(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.

## 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.

### *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.

### *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.

### *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.

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.

(In RMB millions, unless otherwise stated)

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.

### *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%).

### *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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Rescheduled loans and advances to customers | 139,086 | 82,723 |
| Including: Impaired loans and advances to customers | 41,821 | 15,607 |

(In RMB millions, unless otherwise stated)

### *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.

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:

| | 31 December 2024 | 31 December 2023 |
|---|---:|---:|
| Balances with central banks | 3,250,842 | 3,975,594 |
| Due from banks and other financial institutions | 1,219,876 | 1,116,717 |
| Derivative financial assets | 222,361 | 75,339 |
| Reverse repurchase agreements | 1,210,217 | 1,224,257 |
| Loans and advances to customers | 27,613,781 | 25,386,933 |
| Financial investments | | |
| Financial investments measured at FVTPL | 770,192 | 578,595 |
| Financial investments measured at FVTOCI | 3,205,926 | 2,148,073 |
| Financial investments measured at amortised cost | 9,851,985 | 8,806,849 |
| Others | 131,680 | 107,719 |
| | 47,476,860 | 43,420,076 |
| Credit commitments | 3,403,478 | 3,184,180 |
| Maximum credit risk exposure | 50,880,338 | 46,604,256 |

### *(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.

(In RMB millions, unless otherwise stated)

## (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:

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | Amount | Percentage | Amount | Percentage |
| 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 | 28,372,229 | 100.00% | 26,086,482 | 100.00% |

**By industry**

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by industry is as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Transportation, storage and postal services | 4,051,167 | 3,782,387 |
| Manufacturing | 2,575,716 | 2,454,786 |
| Leasing and commercial services | 2,523,970 | 2,396,063 |
| Water, environment and public utility management | 1,863,449 | 1,742,614 |
| Production and supply of electricity, heating, gas and water | 1,868,505 | 1,690,911 |
| Real estate | 1,110,747 | 1,014,138 |
| Wholesale and retail | 831,967 | 757,022 |
| Finance | 842,033 | 635,529 |
| Construction | 516,972 | 462,957 |
| Science, education, culture and sanitation | 426,677 | 410,202 |
| Mining | 374,331 | 340,250 |
| Others | 496,689 | 458,345 |
| Subtotal for corporate loans | 17,482,223 | 16,145,204 |
| Personal mortgage and business loans | 7,761,161 | 7,635,604 |
| Others | 1,196,559 | 1,018,017 |
| Subtotal for personal loans | 8,957,720 | 8,653,621 |
| Discounted bills | 1,932,286 | 1,287,657 |
| Total for loans and advances to customers | 28,372,229 | 26,086,482 |

(In RMB millions, unless otherwise stated)

**By collateral**

The composition of the Group's gross loans and advances to customers (excluding accrued interest) by collateral is as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Unsecured loans | 11,078,420 | 9,947,491 |
| Guaranteed loans | 2,708,808 | 2,715,345 |
| Loans secured by mortgages | 10,787,880 | 10,444,304 |
| Pledged loans | 3,797,121 | 2,979,342 |
| Total | 28,372,229 | 26,086,482 |

**Overdue loans**

The composition of the Group's gross overdue loans (excluding accrued interest) by collateral is as follows:

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Overdue for 1 to 90 days | Overdue for 91 days to 1 year | Overdue for 1 to 3 years | Overdue for over 3 years | Total |
| 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 |
| Total | 122,360 | 120,579 | 124,646 | 39,154 | 406,739 |

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Overdue for 1 to 90 days | Overdue for 91 days to 1 year | Overdue for 1 to 3 years | Overdue for over 3 years | Total |
| 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 |
| Total | 107,236 | 101,889 | 87,118 | 34,181 | 330,424 |

(In RMB millions, unless otherwise stated)

## (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 | | | |
|---|---|---|---|---|
| | Financial investments measured at FVTPL | Financial investments measured at FVTOCI | Financial investments measured at amortised cost | Total |
| 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 |
| | 738,981 | 3,172,713 | 9,733,228 | 13,644,922 |

| | 31 December 2023 | | | |
|---|---|---|---|---|
| | Financial investments measured at FVTPL | Financial investments measured at FVTOCI | Financial investments measured at amortised cost | Total |
| 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 |
| | 540,169 | 2,120,553 | 8,697,005 | 11,357,727 |

**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 | | | | | |
|---|---|---|---|---|---|---|
| | Unrated | AAA | AA | A | Below A | Total |
| 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 |
| | 5,047,241 | 7,663,857 | 242,129 | 472,569 | 219,126 | 13,644,922 |

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Unrated | AAA | AA | A | Below A | Total |
| 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 |
| | 3,762,208 | 6,967,323 | 126,088 | 359,994 | 142,114 | 11,357,727 |

### *(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 |
| **Financial assets measured at amortised cost** | | | | | | | | |
| 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) |
| Total | 40,923,136 | 797,456 | 382,723 | 42,103,315 | (393,845) | (156,513) | (307,497) | (857,855) |
| **Financial assets measured at FVTOCI** | | | | | | | | |
| 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) |
| Total | 5,143,336 | 10,141 | 437 | 5,153,914 | (4,918) | (686) | (3,846) | (9,450) |

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Gross carrying amount | | | | Provision for ECL | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| **Financial assets measured at amortised cost** | | | | | | | | |
| 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 | 8,840,215 | 2,214 | 3,139 | 8,845,568 | (36,009) | (11) | (2,699) | (38,719) |
| Total | 38,960,130 | 716,328 | 356,765 | 40,033,223 | (382,235) | (156,251) | (259,891) | (798,377) |
| **Financial assets measured at FVTOCI** | | | | | | | | |
| Loans and advances to customers | 1,295,548 | – | 37 | 1,295,585 | (361) | – | (29) | (390) |
| Financial investments | 2,136,289 | 11,509 | 275 | 2,148,073 | (4,835) | (964) | (3,769) | (9,568) |
| Total | 3,431,837 | 11,509 | 312 | 3,443,658 | (5,196) | (964) | (3,798) | (9,958) |

As at 31 December 2024 and 2023, credit risk exposures of credit commitments were mainly classified in Stage 1.

## (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.

(In RMB millions, unless otherwise stated)

### *(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 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | Total |
| **Assets:** | | | | | | | | |
| 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 |
| Total assets | 1,394,307 | 3,339,228 | 2,420,208 | 8,681,102 | 10,324,578 | 19,218,923 | 3,443,400 | 48,821,746 |
| **Liabilities:** | | | | | | | | |
| 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 |
| Total liabilities | 16,601,324 | 3,264,181 | 3,796,720 | 10,939,042 | 9,360,394 | 872,819 | – | 44,834,480 |
| Net liquidity gap | (15,207,017) | 75,047 | (1,376,512) | (2,257,940) | 964,184 | 18,346,104 | 3,443,400 | 3,987,266 |

(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.

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | Total |
| **Assets:** | | | | | | | | |
| 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 |
| Total assets | 1,764,107 | 3,175,267 | 1,994,117 | 6,797,850 | 9,438,745 | 17,912,066 | 3,614,927 | 44,697,079 |
| **Liabilities:** | | | | | | | | |
| 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 |
| Total liabilities | 16,426,099 | 2,657,447 | 3,059,130 | 8,759,653 | 9,139,669 | 878,493 | – | 40,920,491 |
| Net liquidity gap | (14,661,992) | 517,820 | (1,065,013) | (1,961,803) | 299,076 | 17,033,573 | 3,614,927 | 3,776,588 |

(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.

(In RMB millions, unless otherwise stated)

### *(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 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | Total |
| **Non-derivative cash flows:** | | | | | | | | |
| **Financial assets:** | | | | | | | | |
| 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 |
| Financial investments | | | | | | | | |
| 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 |
| | 1,387,812 | 3,359,138 | 2,445,246 | 9,046,962 | 11,804,398 | 23,008,268 | 3,269,934 | 54,321,758 |
| **Financial liabilities:** | | | | | | | | |
| 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 |
| | 16,683,108 | 3,232,372 | 3,609,312 | 10,870,239 | 9,778,546 | 810,985 | – | 44,984,562 |
| **Derivative cash flows:** | | | | | | | | |
| 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) |
| | – | 8,635 | 23,327 | 175,678 | (925) | (343) | – | 206,372 |

(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.

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | Total |
| **Non-derivative cash flows:** | | | | | | | | |
| **Financial assets:** | | | | | | | | |
| 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 |
| Financial investments | | | | | | | | |
| 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 |
| | 1,771,743 | 3,281,804 | 2,241,827 | 8,008,315 | 13,958,692 | 25,823,864 | 3,696,274 | 58,782,519 |
| **Financial liabilities:** | | | | | | | | |
| 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 |
| | 16,427,597 | 2,639,315 | 2,971,226 | 8,787,293 | 9,618,428 | 858,395 | – | 41,302,254 |
| **Derivative cash flows:** | | | | | | | | |
| 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.

(In RMB millions, unless otherwise stated)

### *(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 | 1,250,483 | 197,971 | 441,314 | 820,351 | 562,731 | 130,628 | 3,403,478 |

| | 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 | 1,270,414 | 145,907 | 359,067 | 690,830 | 510,386 | 207,576 | 3,184,180 |

## (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).

(In RMB millions, unless otherwise stated)

### *(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.

A summary of VaRs of trading book by risk type is as follows:

| | 2024 | | | |
|---|---|---|---|---|
| | End of year | Average | Maximum | Minimum |
| Interest rate risk | 301 | 171 | 336 | 83 |
| Currency risk | 305 | 279 | 475 | 124 |
| Commodity risk | 22 | 19 | 40 | 11 |
| Total portfolio VaR | 466 | 317 | 470 | 232 |

| | 2023 | | | |
|---|---|---|---|---|
| | End of year | Average | Maximum | Minimum |
| 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;

(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.

(In RMB millions, unless otherwise stated)

### *(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.

| | | Effect on profit before taxation | | Effect on equity | |
|---|---|---|---|---|---|
| Currency | Change in exchange rate | 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) |

(In RMB millions, unless otherwise stated)

A breakdown of the assets and liabilities analysed by currency is as follows:

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | RMB | USD (in RMB equivalent) | HKD (in RMB equivalent) | Other (in RMB equivalent) | Total (in RMB equivalent) |
| **Assets:** | | | | | |
| 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 |
| Total assets | 44,742,408 | 2,380,201 | 510,715 | 1,188,422 | 48,821,746 |
| **Liabilities:** | | | | | |
| 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 |
| Total liabilities | 41,551,555 | 1,992,863 | 523,906 | 766,156 | 44,834,480 |
| Net long/(short) position | 3,190,853 | 387,338 | (13,191) | 422,266 | 3,987,266 |
| Credit commitments | 2,686,750 | 468,537 | 50,378 | 197,813 | 3,403,478 |

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | RMB | USD (in RMB equivalent) | HKD (in RMB equivalent) | Other (in RMB equivalent) | Total (in RMB equivalent) |
| **Assets:** | | | | | |
| 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 |
| Total assets | 40,835,801 | 2,233,506 | 494,732 | 1,133,040 | 44,697,079 |
| **Liabilities:** | | | | | |
| 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 |
| Total liabilities | 37,512,684 | 1,995,622 | 583,968 | 828,217 | 40,920,491 |
| Net long/(short) position | 3,323,117 | 237,884 | (89,236) | 304,823 | 3,776,588 |
| Credit commitments | 2,525,419 | 426,002 | 49,055 | 183,704 | 3,184,180 |

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

## (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.

(In RMB millions, unless otherwise stated)

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.

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.

| | 31 December 2024 | | | |
|---|---|---|---|---|
| | Increased by 100 basis points | | Decreased by 100 basis points | |
| Currency | Effect on net interest income | Effect on equity | Effect on net interest income | Effect on equity |
| 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 |
| Total | (24,221) | (114,613) | 24,221 | 134,282 |

| | 31 December 2023 | | | |
|---|---|---|---|---|
| | Increased by 100 basis points | | Decreased by 100 basis points | |
| Currency | Effect on net interest income | Effect on equity | Effect on net interest income | Effect on equity |
| 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 | (16,673) | (79,879) | 16,673 | 91,766 |

(In RMB millions, unless otherwise stated)

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.

The tables below summarise the contractual repricing or maturity dates, whichever is earlier, of the Group's assets and liabilities:

| | 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than three months | Three months to one year | One to five years | Over five years | Non-interest-bearing | Total |
| **Assets:** | | | | | | |
| 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 |
| Total assets | 16,710,532 | 18,860,206 | 5,319,332 | 5,733,662 | 2,198,014 | 48,821,746 |
| **Liabilities:** | | | | | | |
| 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 | 22,956,210 | 10,387,765 | 8,725,331 | 704,947 | 2,060,227 | 44,834,480 |
| Interest rate exposure | (6,245,678) | 8,472,441 | (3,405,999) | 5,028,715 | N/A | N/A |

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Less than three months | Three months to one year | One to five years | Over five years | Non-interest-bearing | Total |
| **Assets:** | | | | | | |
| 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 |
| Total assets | 15,729,376 | 17,208,242 | 4,735,833 | 5,174,775 | 1,848,853 | 44,697,079 |
| **Liabilities:** | | | | | | |
| 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 |
| Total liabilities | 21,352,271 | 8,231,400 | 8,905,388 | 722,812 | 1,708,620 | 40,920,491 |
| Interest rate exposure | (5,622,895) | 8,976,842 | (4,169,555) | 4,451,963 | N/A | N/A |

(i) Includes reverse repurchase agreements.

(ii) Includes repurchase agreements.

The data set out in the above table includes trading book data.

## (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.

Since 1 January 2024, the Group commenced calculating the capital adequacy ratios in accordance with the Regulation Governing Capital 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 Regulation Governing Capital 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 Regulation Governing Capital 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.

(In RMB millions, unless otherwise stated)

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:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Common equity tier 1 capital | 3,648,963 | 3,404,032 |
| Paid-in capital | 356,407 | 356,407 |
| Valid portion of capital reserve | 148,128 | 148,164 |
| Surplus reserve | 463,951 | 428,007 |
| General reserve | 614,426 | 561,303 |
| Retained profits | 2,007,203 | 1,905,968 |
| Valid portion of minority interests | 4,071 | 3,623 |
| Accumulated other comprehensive income | 54,777 | N/A |
| Others | N/A | 560 |
| Common equity tier 1 capital deductions | 24,621 | 22,091 |
| Goodwill | 18,687 | 8,488 |
| Other intangible assets other than land use rights | 10,194 | 8,490 |
| Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet | (4,260) | (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 | 3,624,342 | 3,381,941 |
| Additional tier 1 capital | 325,111 | 354,978 |
| Additional tier 1 capital instruments and related premiums | 324,344 | 354,331 |
| Valid portion of minority interests | 767 | 647 |
| Net tier 1 capital | 3,949,453 | 3,736,919 |
| Tier 2 capital | 1,037,078 | 970,181 |
| Valid portion of tier 2 capital instruments and related premiums | 632,917 | 635,672 |
| Surplus provision for impairment | 402,917 | N/A |
| Surplus provision for loan impairment | N/A | 333,382 |
| Valid portion of minority interests | 1,244 | 1,127 |
| Net capital base | 4,986,531 | 4,707,100 |
| Risk-weighted assets (i) | 25,710,855 | 24,641,631 |
| Common equity tier 1 capital adequacy ratio | 14.10% | 13.72% |
| Tier 1 capital adequacy ratio | 15.36% | 15.17% |
| Capital adequacy ratio | 19.39% | 19.10% |

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

## 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.

### 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.

(In RMB millions, unless otherwise stated)

### 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.

## (a) Financial instruments measured at fair value

| | 31 December 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| 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 |
| | 78,900 | 797,576 | 133,963 | 1,010,439 |
| 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 |
| | 314,813 | 2,910,636 | 65,703 | 3,291,152 |
| | 405,824 | 5,891,641 | 199,797 | 6,497,262 |
| **Financial liabilities:** | | | | |
| 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 |
| | 8,155 | 464,933 | 2,461 | 475,549 |

(In RMB millions, unless otherwise stated)

| | 31 December 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| 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 |
| | 78,740 | 614,266 | 118,951 | 811,957 |
| 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 |
| | 347,312 | 1,843,078 | 40,472 | 2,230,862 |
| | 429,385 | 3,870,924 | 160,052 | 4,460,361 |
| **Financial liabilities:** | | | | |
| 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 |
| | 4,595 | 362,648 | 3,017 | 370,260 |

(In RMB millions, unless otherwise stated)

## (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 |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| 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 |
| | 160,052 | (833) | 1,490 | 46,787 | (30,582) | 22,883 | 199,797 |
| **Financial liabilities:** | | | | | | | |
| Financial liabilities measured at FVTPL | (1,838) | (221) | – | (761) | 498 | – | (2,322) |
| Derivative financial liabilities | (1,179) | (174) | – | – | 496 | 718 | (139) |
| | (3,017) | (395) | – | (761) | 994 | 718 | (2,461) |

| | 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 |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| 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 |
| | 156,343 | 1,092 | 1,495 | 29,119 | (27,565) | (432) | 160,052 |
| **Financial liabilities:** | | | | | | | |
| Financial liabilities measured at FVTPL | (1,311) | (156) | – | (595) | 224 | – | (1,838) |
| Derivative financial liabilities | (2,185) | 675 | – | (77) | 396 | 12 | (1,179) |
| | (3,496) | 519 | – | (672) | 620 | 12 | (3,017) |

(In RMB millions, unless otherwise stated)

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 |
| | (1,228) | 1,611 |

## (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.

## (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).

(In RMB millions, unless otherwise stated)

## (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:

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | |
| Financial investments measured at amortised cost | 9,851,985 | 10,531,041 | 43,473 | 10,360,858 | 126,710 |
| **Financial liabilities** | | | | | |
| Subordinated bonds, tier 2 capital bonds and TLAC non-capital Bonds | 749,261 | 778,648 | – | 778,648 | – |

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | |
| Financial investments measured at amortised cost | 8,806,849 | 9,083,501 | 75,260 | 8,830,559 | 177,682 |
| **Financial liabilities** | | | | | |
| Subordinated bonds and tier 2 capital bonds issued | 704,129 | 705,809 | – | 705,809 | – |

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.

(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.

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| **ASSETS** | | |
| Cash and balances with central banks | 3,231,078 | 3,983,898 |
| Due from banks and other financial institutions | 1,268,833 | 1,209,201 |
| Derivative financial assets | 193,367 | 52,312 |
| Reverse repurchase agreements | 1,148,203 | 1,144,948 |
| Loans and advances to customers | 26,789,370 | 24,618,384 |
| Financial investments | 13,184,522 | 11,011,574 |
| Financial investments measured at FVTPL | 693,738 | 504,918 |
| Financial investments measured at FVTOCI | 2,875,432 | 1,913,887 |
| Financial investments measured at amortised cost | 9,615,352 | 8,592,769 |
| Investments in subsidiaries | 163,283 | 163,283 |
| Investments in associates | 37,042 | 36,042 |
| Property and equipment | 119,025 | 123,642 |
| Deferred tax assets | 89,322 | 103,196 |
| Other assets | 500,316 | 458,765 |
| **TOTAL ASSETS** | 46,724,361 | 42,905,245 |
| **LIABILITIES** | | |
| Due to central banks | 169,622 | 231,349 |
| Due to banks and other financial institutions | 4,711,602 | 3,250,269 |
| Financial liabilities measured at FVTPL | 62,195 | 52,306 |
| Derivative financial liabilities | 169,959 | 51,234 |
| Repurchase agreements | 1,473,959 | 949,247 |
| Certificates of deposit | 428,929 | 370,623 |
| Due to customers | 33,425,710 | 32,621,398 |
| Income tax payable | 30,345 | 61,462 |
| Debt securities issued | 1,936,857 | 1,250,598 |
| Other liabilities | 530,327 | 465,975 |
| **TOTAL LIABILITIES** | 42,939,505 | 39,304,461 |
| **EQUITY** | | |
| Share capital | 356,407 | 356,407 |
| Other equity instruments | 324,344 | 354,331 |
| Preference shares | 134,614 | 134,614 |
| Perpetual bonds | 189,730 | 219,717 |
| Reserves | 1,270,537 | 1,139,911 |
| Retained profits | 1,833,568 | 1,750,135 |
| **TOTAL EQUITY** | 3,784,856 | 3,600,784 |
| **TOTAL LIABILITIES AND EQUITY** | 46,724,361 | 42,905,245 |

| **Liao Lin** | **Liu Jun** | **Xu Zhisheng** |
|---|---|---|
| Chairman | Vice Chairman and President | Person in charge of Finance and Accounting Department |

(In RMB millions, unless otherwise stated)

## The statement of changes in equity of the Bank is set out below.

| | | | Reserves | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Retained profits | Total equity |
| 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 | 356,407 | 324,344 | 153,333 | 454,558 | 596,800 | 71,202 | (671) | (4,353) | (332) | 1,270,537 | 1,833,568 | 3,784,856 |

(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).

## 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.

(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 | (241,097) | 88,456 | 163,673 | 11,032 |
| Net structural position | 153,369 | 754 | 28,414 | 182,537 |

| | 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 | (158,050) | 95,216 | 31,956 | (30,878) |
| Net structural position | 146,012 | 870 | 26,781 | 173,663 |

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.

(In RMB millions, unless otherwise stated)

## 3. Loans and advances to customers (excluding accrued interest)

### *(i) Overdue loans and advances to customers*

| | 31 December 2024 | 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 | 50,420 | 38,972 |
| Between 6 and 12 months | 70,159 | 62,917 |
| Over 12 months | 163,800 | 121,299 |
| | 284,379 | 223,188 |
| As a percentage of the total gross loans and advances to customers: | | |
| Between 3 and 6 months | 0.18% | 0.15% |
| Between 6 and 12 months | 0.25% | 0.24% |
| Over 12 months | 0.57% | 0.46% |
| | 1.00% | 0.85% |

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*

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Head Office | 52,829 | 46,984 |
| Bohai Rim | 55,728 | 48,059 |
| Western China | 58,118 | 53,866 |
| Central China | 59,785 | 42,126 |
| Pearl River Delta | 73,465 | 54,727 |
| Yangtze River Delta | 49,448 | 33,009 |
| Northeastern China | 17,743 | 18,899 |
| Overseas and others | 39,623 | 32,754 |
| | 406,739 | 330,424 |

### *(iii) Rescheduled loans and advances to customers*

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| | | % of total loans and advances to customers | | % of total loans and advances to customers |
| Rescheduled loans and advances to customers | 139,086 | 0.49% | 82,723 | 0.32% |
| Less: Rescheduled loans and advances to customers overdue for more than three months | (23,378) | (0.08%) | (8,575) | (0.03%) |
| Rescheduled loans and advances to customers overdue for less than three months | 115,708 | 0.41% | 74,148 | 0.29% |

## 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.

# 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, Xinsheng 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.**
Address: 19-20/F, Tower B, Yang Zi S&T 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.**
Address: No. 6 Financial Street, Xicheng District, Beijing, China
Postcode: 100032
Tel: 010-86509184
Fax: 010-86509835

**Chongqing Bishan ICBC Rural Bank Co., Ltd.**
Address: No. 8 Xianshan Road, Biquan Street, Bishan District, Chongqing, China
Postcode: 402760
Tel: 023-85297704
Fax: 023-85297709

**Zhejiang Pinghu ICBC Rural Bank Co., Ltd.**
Address: No. 258 Chengnan West Road, Pinghu City, Zhejiang Province, China
Postcode: 314200
Tel: 0573-85139616
Fax: 0573-85139626

**Bank of Jinzhou Co., Ltd.**
Address: No. 68 Keji Road, Jinzhou City, Liaoning Province, China
Postcode: 121013
Tel: 0416-2818000/2111036
Fax: 0416-3220003

## Overseas Institutions

### Hong Kong SAR and Macao SAR

**Industrial and Commercial Bank of China Limited, Hong Kong Branch**
Address: 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China
Email: icbchk@icbcasia.com
Tel: + 852-25881188
Fax: + 852-25881160
SWIFT: ICBKHKHH

**Industrial and Commercial Bank of China (Asia) Limited**
Address: 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China
Email: enquiry@icbcasia.com
Tel: +852-35108888
Fax: +852-28051166
SWIFT: UBHKHKHH

**ICBC International Holdings Limited**
Address: 37/F, ICBC Tower, 3 Garden Road, Central, Hong Kong SAR, China
Email: info@icbci.icbc.com.cn
Tel: +852-26833888
Fax: +852-26833900
SWIFT: ICILHKH1

**Industrial and Commercial Bank of China (Macau) Limited**
Address: 18th Floor, ICBC Tower, Macau Landmark, 555 Avenida da Amizade, Macao SAR, China
Email: icbc@mc.icbc.com.cn
Tel: +853-28555222
Fax: +853-28338064
SWIFT: ICBKMOMX

**Industrial and Commercial Bank of China Limited, Macau Branch**
Address: Alm. Dr. Carlos d'Assumpcao, No.393-437, 9 Andar, Edf. Dynasty Plaza, Macao SAR, China
Email: icbc@mc.icbc.com.cn
Tel: +853-28555222
Fax: +853-28338064
SWIFT: ICBKMOMM

### Asia-Pacific

**Industrial and Commercial Bank of China Limited, Tokyo Branch**
Address: Dai-ichi Life Hibiya First 9F, 1-13-2, Yurakucho, Chiyoda-ku, Tokyo, Japan
Email: icbctokyo@tk.icbc.com.cn
Tel: +813-52232088
Fax: +813-52198525
SWIFT: ICBKJPJT

**Industrial and Commercial Bank of China Limited, Seoul Branch**
Address: 16th Floor, Taepyeongno Bldg., #73 Sejong-daero, Jung-gu, Seoul 100-767, Korea
Email: icbcseoul@kr.icbc.com.cn
Tel: +82-237886670
Fax: +82-27553748
SWIFT: ICBKKRSE

**Industrial and Commercial Bank of China Limited, Busan Branch**
Address: 1st Floor, ABL Life Bldg., # 640 Jungang-daero, Busanjin-gu, Busan 47353, Korea
Email: busanadmin@kr.icbc.com.cn
Tel: +82-514638868
Fax: +82-514636880
SWIFT: ICBKKRSE

**Industrial and Commercial Bank of China Limited, Mongolia Representative Office**
Address: Suite 1108, 11th floor, Shangri-la Office, Shangri-la Centre, 19A Olympic Street, Sukhbaatar District-1, Ulaanbaatar, Mongolia
Email: mgdbcgw@dccsh.icbc.com.cn
Tel: +976-77108822, +976-77106677
Fax: +976-77108866

**Industrial and Commercial Bank of China Limited, Singapore Branch**
Address: 6 Raffles Quay #12-01, Singapore 048580
Email: icbcsg@sg.icbc.com.cn
Tel: +65-65381066
Fax: +65-65381370
SWIFT: ICBKSGSG

**PT. Bank ICBC Indonesia**
Address: The City Tower 32nd Floor, Jl. M.H. Thamrin No. 81, Jakarta Pusat 10310, Indonesia
Email: cs@ina.icbc.com.cn
Tel: +62-2123556000
Fax: +62-2131996016
SWIFT: ICBKIDJA

**Industrial and Commercial Bank of China (Malaysia) Berhad**
Address: Level 10, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia
Email: icbcmalaysia@my.icbc.com.cn
Tel: +603-23013399
Fax: +603-23013388
SWIFT: ICBKMYKL

**Industrial and Commercial Bank of China Limited, Manila Branch**
Address: 24F, The Curve, 32nd Street Corner, 3rd Ave, BGC, Taguig City, Manila 1634, Philippines
Email: info@ph.icbc.com.cn
Tel: +63-282803300
Fax: +63-284032023
SWIFT: ICBKPHMM

**Industrial and Commercial Bank of China (Thai) Public Company Limited**
Address: 622 Emporium Tower, L, 11th-13th Fl., Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok, Thailand
Tel: +66-26295588
Fax: +66-26639888
SWIFT: ICBKTHBK

**Industrial and Commercial Bank of China Limited, Hanoi Branch**
Address: 3rd Floor Daeha Business Center, No.360, Kim Ma Str., Ba Dinh Dist., Hanoi, Vietnam
Email: hanoiadmin@vn.icbc.com.cn
Tel: +84-2462698888
Fax: +84-2462699800
SWIFT: ICBKVNVN

**Industrial and Commercial Bank of China Limited, Ho Chi Minh City Representative Office**
Address: 12th floor Deutsches Haus building, 33 Le Duan Street, District 1, Ho Chi Minh City, Vietnam
Email: hcmadmin@vn.icbc.com.cn
Tel: +84-28-35208991

**Industrial and Commercial Bank of China Limited, Vientiane Branch**
Address: Asean Road, Home No.358, Unit 12, Sibounheuang Village, Chanthabouly District, Vientiane Capital, Lao PDR
Email: icbcvte@la.icbc.com.cn
Tel: +856-21258888
Fax: +856-21258897
SWIFT: ICBKLALA

**Industrial and Commercial Bank of China Limited, Phnom Penh Branch**
Address: 17th Floor, Exchange Square, No. 19-20, Street 106, Phnom Penh, Cambodia
Email: icbckh@kh.icbc.com.cn
Tel: +855-23955880
Fax: +855-23965268
SWIFT: ICBKKHPP

**Industrial and Commercial Bank of China Limited, Yangon Branch**
Address: ICBC Center, Crystal Tower, Kyun Taw Road, Kamayut Township, Yangon, Myanmar
Tel: +95-019339258
Fax: +95-019339278
SWIFT: ICBKMMMY

**Industrial and Commercial Bank of China (Almaty) Joint Stock Company**
Address: 150/230, Abai/Turgut Ozal Street, Almaty, Kazakhstan. 050046
Email: office@kz.icbc.com.cn
Tel: +7-7272377085
SWIFT: ICBKKZKX

**Industrial and Commercial Bank of China Limited, Karachi Branch**
Address: 15th & 16th Floor, Ocean Tower, G-3, Block-9, Scheme # 5, Main Clifton Road, Karachi, Pakistan. P.C:75600
Email: service@pk.icbc.com.cn
Tel: +92-2135208985
Fax: +92-2135208930
SWIFT: ICBKPKKA

**Industrial and Commercial Bank of China Limited, Mumbai Branch**
Address: 801, 8th Floor, A Wing, One BKC, C-66, G Block, Bandra Kurla Complex, Bandra East, Mumbai-400051, India
Email: icbcmumbai@india.icbc.com.cn
Tel: +91-2271110300
Fax: +91-2271110353
SWIFT: ICBKINBB

**Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch**
Address: Floor 5&6, Gate Village Building 1, Dubai International Financial Center, Dubai, United Arab Emirates P.O.Box: 506856
Email: dboffice@dxb.icbc.com.cn
Tel: +971-47031111
Fax: +971-47031199
SWIFT: ICBKAEAD

**Industrial and Commercial Bank of China Limited, Abu Dhabi Branch**
Address: Addax Tower Offices 5207, 5208 and 5209, Al Reem Island, Abu Dhabi, United Arab Emirates P.O. Box 62108
Email: hr.admin_abudhabi@auh.icbc.com.cn
Tel: +971-24998600
Fax: +971-24998622
SWIFT: ICBKAEAA

**Industrial and Commercial Bank of China Limited, Doha (QFC) Branch**
Address: Level 37, Burj Doha, Al Corniche Street, West Bay, Doha, Qatar P.O. BOX: 11217
Email: icbcdoha@doh.icbc.com.cn
Tel: +974-44072777
Fax: +974-44072751
SWIFT: ICBKQAQA

**Industrial and Commercial Bank of China Limited, Riyadh Branch**
Address: Level 4&8, A1 Faisaliah Tower Building No: 7277-King Fahad Road Al Olaya, Zip Code: 12212, Additional No.: 3333, Unit No.: 95, Kingdom of Saudi Arabia
Email: service@sa.icbc.com.cn
Tel: +966-112899888
Fax: +966-112899879
SWIFT: ICBKSARI

**Industrial and Commercial Bank of China Limited, Kuwait Branch**
Address: Building 2A (Al-Tijaria Tower), Floor 7&8, Al-Soor Street, Al-Morqab, Block 3, Kuwait City, Kuwait
Email: info@kw.icbc.com.cn
Tel: +965-22281777
Fax: +965-22281799
SWIFT: ICBKKWKW

**Industrial and Commercial Bank of China Limited, Sydney Branch**
Address: Level 42, Tower 1, International Towers, 100 Barangaroo Avenue, Sydney NSW 2000 Australia
Email: info@icbc.com.au
Tel: +612-94755588
Fax: +612-82885878
SWIFT: ICBKAU2S

**Industrial and Commercial Bank of China (New Zealand) Limited**
Address: Level 11, 188 Quay Street, Auckland 1010, New Zealand
Email: info@nz.icbc.com.cn
Tel: +64-93747288
Fax: +64-93747287
SWIFT: ICBKNZ2A

**Industrial and Commercial Bank of China Limited, Auckland Branch**
Address: Level 11, 188 Quay Street, Auckland 1010, New Zealand
Email: info@nz.icbc.com.cn
Tel: +64-93747288
Fax: +64-93747287
SWIFT: ICBKNZ22

## Europe

**Industrial and Commercial Bank of China Limited, Frankfurt Branch**
Address: Bockenheimer Landstraße 39, 60325 Frankfurt am Main, Germany
Email: icbc@icbc-ffm.de
Tel: +49-6950604700
Fax: +49-6950604708
SWIFT: ICBKDEFF

**Industrial and Commercial Bank of China Limited, Luxembourg Branch**
Address: 32, Boulevard Royal, L-2449 Luxembourg, B.P.278 L-2012 Luxembourg
Email: office@eu.icbc.com.cn
Tel: +352-2686661
Fax: +352-2686 66 6000
SWIFT: ICBKLULL

**Industrial and Commercial Bank of China (Europe) S.A.**
Address: 32, Boulevard Royal, L-2449 Luxembourg, B.P.278 L-2012 Luxembourg
Email: office@eu.icbc.com.cn
Tel: +352-2686661
Fax: +352-2686 66 6000
SWIFT: ICBKLULU

**Industrial and Commercial Bank of China (Europe) S.A. Paris Branch**
Address: 73 Boulevard Haussmann, 75008, Paris, France
Email: administration@fr.icbc.com.cn
Tel: +33-140065858
Fax: +33-140065899
SWIFT: ICBKFRPP

**Industrial and Commercial Bank of China (Europe) S.A. Amsterdam Branch**
Address: Johannes Vermeerstraat 7-9, 1071 DK, Amsterdam, the Netherlands
Email: icbcamsterdam@nl.icbc.com.cn
Tel: +31-205706666
Fax: +31-205706603
SWIFT: ICBKNL2A

**Industrial and Commercial Bank of China (Europe) S.A. Brussels Branch**
Address: 81, Avenue Louise, 1050 Brussels, Belgium
Email: info@be.icbc.com.cn
Tel: +32-2-5398888
Fax: +32-2-5398870
SWIFT: ICBKBEBB

**Industrial and Commercial Bank of China (Europe) S.A. Milan Branch**
Address: Via Tommaso Grossi 2, 20121, Milano, Italy
Email: banking@it.icbc.com.cn
Tel: +39-0200668899
Fax: +39-0200668888
SWIFT: ICBKITMM

**Industrial and Commercial Bank of China (Europe) S.A. Sucursal en España**
Address: Paseo de Recoletos, 12, 28001, Madrid, España
Email: gad.dpt@es.icbc.com.cn
Tel: +34-912168837
Fax: +34-912168866
SWIFT: ICBKESMM

**Industrial and Commercial Bank of China (Europe) S.A. Poland Branch**
Address: Plac Trzech Krzyży 18, 00-499, Warszawa, Poland
Email: info@pl.icbc.com.cn
Tel: +48-222788066
Fax: +48-222788090
SWIFT: ICBKPLPW

**Industrial and Commercial Bank of China (Europe) S.A. Greece Representative Office**
Address: Amerikis 13, Athens 106 72 Greece
Email: GAD@gr.icbc.com.cn
Tel: +30-2166868888
Fax: +30-2166868889

**Industrial and Commercial Bank of China (Macau) S.A. Lisbon Representative Office**
Address: Av. Miguel Bombarda 36, Piso 8, 801 (A), 1050-165, Lisboa, Portugal
Tel: +351-211541970

**ICBC (London) PLC**
Address: 81 King William Street, London EC4N 7BG, UK
Email: hr_admin@ld.icbc.com.cn
Tel: +44-2073978888
SWIFT: ICBKGB2L

**Industrial and Commercial Bank of China Limited, London Branch**
Address: 81 King William Street, London EC4N 7BG, UK
Email: hr_admin@ld.icbc.com.cn
Tel: +44-2073978888
SWIFT: ICBKGB3L

**ICBC Standard Bank PLC**
Address: 20 Gresham Street, London, United Kingdom, EC2V 7JE
Email: londonmarketing@icbcstandard.com
Tel: +44-2031455000
Fax: +44-2031895000
SWIFT: SBLLGB2L

**Bank ICBC (joint stock company)**
Address: Building 29, Serebryanicheskaya embankment, Moscow, Russia Federation 109028
Email: info@ms.icbc.com.cn
Tel: +7-4952873099
Fax: +7-4952873098
SWIFT: ICBKRUMM

**ICBC Turkey Bank Anonim Şirketi**
Address: Maslak Mah. Dereboyu, 2 Caddesi No:13 34398 Sariyer, İSTANBUL
Email: gongwen@tr.icbc.com.cn
Tel: +90-2123355011
SWIFT: ICBKTRIS

**Industrial and Commercial Bank of China Limited, Prague Branch, odštěpný závod**
Address: 12F City Empiria, Na Strži 1702/65, 14000 Prague 4 – Nusle, Czech Republic
Email: info@cz.icbc.com.cn
Tel: +420-237762888
Fax: +420-237762899
SWIFT: ICBKCZPP

**Industrial and Commercial Bank of China Limited, Beijing, Zurich Branch**
Address: Nüschelerstrasse 1, CH-8001, Zurich, Switzerland
Email: service@ch.icbc.com.cn
Tel: +41-58-9095588
Fax: +41-58-9095577
SWIFT: ICBKCHZZ

**ICBC Austria Bank GmbH**
Address: Kolingasse 4, 1090 Vienna, Austria
Email: generaldept@at.icbc.com.cn
Tel: +43-1-9395588
Fax: +43-1-9395588-6800
SWIFT: ICBKATWW

## Americas

**Industrial and Commercial Bank of China Limited, New York Branch**
Address: 1185 Avenue of the Americas, 18th Floor, New York, NY, USA, 10036
Email: info-nyb@us.icbc.com.cn
Tel: +1-2128387799
Fax: +1-6467070567
SWIFT: ICBKUS33

**Industrial and Commercial Bank of China (USA) NA**
Address: 1185 Avenue of the Americas, 16th Floor, New York, NY 10036
Email: info@us.icbc.com.cn
Tel: +1-2122388208
Fax: +1-2122193211
SWIFT: ICBKUS3N

**Industrial and Commercial Bank of China Financial Services LLC**
Address: 1633 Broadway, 28th Floor, New York, NY, 10019, USA
Email: info@icbkfs.com
Tel: +1-2129937300
Fax: +1-2129937349
SWIFT: ICBKUS3F

**Industrial and Commercial Bank of China (Canada)**
Address: Unit 3710, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2R2, Canada
Email: info@icbk.ca
Tel: +1-4163665588
Fax: +1-4166072000
SWIFT: ICBKCAT2

**Industrial and Commercial Bank of China Mexico S.A.**
Address: Paseo de la Reforma 250, Piso 18, Col. Juarez, C.P.06600, Del. Cuauhtemoc, Ciudad de Mexico
Email: info@icbc.com.mx
Tel: +52-5541253388
SWIFT: ICBKMXMM

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