INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

2024

Pillar 3 Disclosure Report of Capital Management

CONTENTS

Introduction

Preparation Basis

The Report is prepared and disclosed in accordance with the Decree of National Financial Regulatory Administration [No. 4, 2023] Rules on Capital Management of Commercial Banks.

Scope of Calculation of Regulatory Capital Indicators

The Group's scope of calculation of consolidated regulatory capital indicators includes Industrial and Commercial Bank of China Limited (hereinafter referred to as "the Bank") and financial institutions in which the Bank has directly or indirectly invested in accordance with the Rules on Capital Management of Commercial Banks.

Capital Measurement Approaches

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.

Disclaimer

The Bank has established a sound governance structure for Pillar 3 disclosure of capital management, which is approved by the Board of Directors. Moreover, the Senior Management implemented the effective internal control procedures, and reasonably reviewed information disclosure, to ensure that Pillar 3 disclosures are true and reliable. The Report was reviewed by the Senior Management of the Bank and submitted to and considered and approved by the Board of Directors of the Bank on 28 March 2025.

The Report is prepared in accordance with the Rules on Capital Management of Commercial Banks rather than the Accounting Standards for Business Enterprises. Therefore, some information in the Report cannot be directly compared with the financial information in the financial reports for the same period.

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

Overview of Risk Management, Key Prudential Regulatory Indicators and Risk Weighted Assets

KM1: Key Prudential Regulatory Indicators for Regulatory Consolidation

In RMB millions, except for percentages

		As at 31 December 2024	As at 30 September 2024	As at 30 June 2024	As at 31 March 2024
AVAILABLE CAPITAL (AMOUNT)					
1	Net common equity tier 1 capital	3,624,342	3,564,519	3,477,144	3,492,517
2	Net tier 1 capital	3,949,453	3,889,547	3,832,172	3,847,493
3	Net capital base	4,986,531	4,916,579	4,812,406	4,868,344
RISK-WEIGHTED ASSETS (AMOUNT)					
4	Total risk-weighted assets	25,710,855	25,546,153	25,123,488	25,347,956
4a	Total risk-weighted assets (before capital floor)	25,710,855	25,546,153	25,123,488	25,347,956
CAPITAL ADEQUACY RATIO					
5	Common equity tier 1 capital adequacy ratio (%)	14.10	13.95	13.84	13.78
5a	Common equity tier 1 capital adequacy ratio (%) (before capital floor)	14.10	13.95	13.84	13.78
6	Tier 1 capital adequacy ratio (%)	15.36	15.23	15.25	15.18
6a	Tier 1 capital adequacy ratio (%) (before capital floor)	15.36	15.23	15.25	15.18
7	Capital adequacy ratio (%)	19.39	19.25	19.16	19.21
7a	Capital adequacy ratio (%) (before capital floor)	19.39	19.25	19.16	19.21
ADDITIONAL CAPITAL REQUIREMENTS					
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	–	–	–	–
10	Capital surcharge for global systemically important banks (G-SIBs) or domestic systemically important banks (%)	1.50	1.50	1.50	1.50
11	Additional capital requirements (%) (8+9+10)	4.00	4.00	4.00	4.00
12	Ratio of net common equity tier 1 capital available after meeting minimum capital requirements to risk-weighted assets (%)	9.10	8.95	8.84	8.78
LEVERAGE RATIO					
13	Balance of adjusted on- and off-balance sheet assets	50,964,819	50,447,695	49,146,136	50,111,419
14	Leverage ratio (%)	7.75	7.71	7.80	7.68
14a	Leverage ratio a (%)(1)	7.75	7.71	7.80	7.68
14b	Leverage ratio b (%)(2)	7.72	7.75	7.77	7.82
14c	Leverage ratio c (%)(3)	7.72	7.75	7.77	7.82

KM1: Key Prudential Regulatory Indicators for Regulatory Consolidation (Continued)

In RMB millions, except for percentages

		As at 31 December 2024	As at 30 September 2024	As at 30 June 2024	As at 31 March 2024
LIQUIDITY COVERAGE RATIO(4)					
15	High-quality liquid assets	8,690,185	8,724,549	8,162,224	7,636,915
16	Net cash outflows	6,198,029	6,314,828	6,115,727	6,039,295
17	Liquidity coverage ratio (%)	140.25	138.20	133.65	126.61
NET STABLE FUNDING RATIO					
18	Total available stable funding	32,853,470	32,555,907	32,086,162	32,738,107
19	Total required stable funding	25,635,263	25,109,433	25,016,809	25,288,511
20	Net stable funding ratio (%)	128.16	129.66	128.26	129.46

Notes: (1) Refers to the leverage ratio taking no account of temporary exemption of central bank reserves.

(2) Refers to the leverage ratio taking into account temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions for the recent quarter.

(3) Refers to the leverage ratio taking no account of temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions for the recent quarter.

(4) Refers to the simple arithmetic average of daily values for the recent quarter.

OVA: Qualitative Risk Management Information

The Bank primarily engages in commercial banking activities and is exposed to key risks, including credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputational risk, and country risk. To safeguard the interests of depositors, consumers, investors and shareholders, and in compliance with relevant regulatory requirements, the Bank has established a well-balanced risk governance framework, fostered a sound and prudent risk culture, formulated a unified risk management strategy and risk appetite, and implemented risk limits and risk management policies. Through effective identification, assessment, measurement, monitoring, control or mitigation, and reporting of various risks, the Bank ensures the achievement of its operational and strategic objectives.

Risk appetite defines the amount of risk and the maximum exposure to different risk types that the Bank is willing to assume in carrying out its strategic planning and operating plans. In accordance with regulatory requirements, the Bank conducts an annual assessment of its risk appetite and reports the results to the Board of Directors. This process ensures that the risk appetite comprehensively covers the major risks faced by the Bank, reflects changes in the risk landscape, aligns effectively with business strategy, and continuously strengthens the transmission of risk appetite to play the guiding and constraining roles.

Risk Governance Framework

Risk governance refers to the allocation of responsibilities and the balances among the Board of Directors, the Board of Supervisors, Senior Management, business departments, risk management and internal control & compliance departments, and the internal audit department in decision-making, execution, supervision, and reporting related to risk management. A risk governance framework with a rational organizational system, clearly defined responsibilities, and efficient reporting channels forms the foundation of enterprise risk management.

The Board of Directors assumes the ultimate responsibility for enterprise risk management. The Risk Management Committee of the Board of Directors, in alignment with the Bank's overall strategy, reviews and revises the Bank's risk strategies, risk management policies, risk appetite, the enterprise risk management framework, and internal control processes, supervises and assesses its implementation progress and results, and puts forward suggestions to the Board of Directors. It continuously monitors the Bank's risk management system, oversees and assesses the setting, organization, and work procedures and effects of the risk management department, and provides advice on improvement. Additionally, it supervises and evaluates Senior Management's risk control performance across credit, market, operation, liquidity, compliance, and reputation, offering recommendations to enhance the Bank's risk management and internal control. The Committee also conducts regular assessments of the Bank's risk policies, risk appetite, and enterprise risk management status, and provides recommendations for the Board of Directors.

The Senior Management is responsible for the implementation of enterprise risk management and for executing the resolutions of the Board of Directors. The Risk Management and Internal Control Committee of the Senior Management serves as the decision-making and deliberation body for enterprise risk management.

The Risk Management Department leads the enterprise risk management efforts, while specific risks are managed by designated departments: the Risk Management Department is responsible for market risk, country risk, and climate risk; the Credit and Investment Management Department oversees credit risk management; the Internal Control & Compliance Department manages operational risk, compliance risk, and anti-money laundering risk; the Asset & Liability Management Department is in charge of liquidity risk, interest rate risk in the banking book, and exchange rate risk; the Executive Office is responsible for reputational risk management; the Office of Steering Group for Deepening Reform (Office for Deepening Reform) handles strategic risk management; the Financial Technology Department and Internal Control & Compliance Department oversee information technology and cybersecurity risk; the Operation Management Department is responsible for operational risk and business continuity management; and the Security Department manages workplace safety and telecom fraud risk. Additionally, risks such as concentration risk, off-balance sheet risk, asset securitization risk, product risk, model risk, cross-risk exposures, and institutional partner risk are managed under the Group's enterprise risk management framework in accordance with relevant policies and departmental responsibilities.

Risk Culture

The Bank upholds the core values of its risk management culture of "compliance with laws and regulations, prudence and pragmatism, integrity and rigor, professionalism and collaboration, and accountability at all levels". It strives to cultivate a risk management culture that aligns with regulatory requirements, meets the Bank's development needs, and reflects its characteristics. By carrying forward the excellent traditional culture of China, the Bank fosters a sense of risk awareness and professionalism at all levels. This serves as a crucial support and guarantee for achieving comprehensive, balanced, and sustainable development.

Risk Measurement System

The Bank has established the policies and systems for the enterprise risk management, covering the whole process of identification, measurement, assessment, monitoring, reporting, control, and mitigation of various types of risks, and implemented standardized management of risk measurement.

The Bank has established a complete internal risk measurement system in accordance with the Rules on Capital Management of Commercial Banks promulgated by the National Financial Regulatory Administration, and continuously improved data quality management in accordance with regulatory requirements. The Bank strengthened the monitoring and validation of risk measurement models, continuously optimized measurement methods and tools, promoted IT system upgrade and overseas extension, stepped up risk measurement and application, and continuously improved risk management capability. In terms of non-retail credit risk, the Bank applied the foundation internal ratings-based ("IRB") approach to measure the probability of default ("PD"), loss given default ("LGD"), exposure at default ("EAD"), and risk-weighted assets ("RWA") for corporate risk exposures of general companies, small and medium enterprises and specialized loans at the domestic legal person level; in terms of retail credit risk, the Bank applied the advanced IRB approach to measure the PD, LGD, and credit conversion factor ("CCF") of residential mortgages, qualifying revolving retail loans and other retail exposures at the domestic legal person level; and the Bank applied the weighted approach to measure other retail and non-retail credit risks. In terms of market risk, the standardized approach is applied to measure the default risk, general interest rate risk, credit spread risk and equity risk in the trading book, and the exchange rate risk and commodity risk in all books at the Group level. In terms of operational risk, the standardized approach is applied for measurement at the Group level, and an internal loss data collection system has been established.

Risk Reporting and Stress Testing

The Bank prepares an enterprise risk management report on a quarterly basis, covering all major risks faced by the Group. This report is submitted to the Risk Management and Internal Control Committee of Senior Management for review. The annual and interim reports are further reviewed by the Risk Management Committee of the Board of Directors and the Board of Directors for deliberation after being reviewed by the Risk Management and Internal Control Committee.

The Bank has established a stress testing system tailored to its management needs, actively leveraging its early warning function and continuously enhancing the forward-looking and effectiveness of risk management. In terms of coverage, the Bank continues to advance full business and institutional coverage for the major risks it faces. When setting scenarios, the Bank builds a risk forecasting system based on its asset structure and risk characteristics, ensuring that stress scenario design reflects the key situations that could impact the security of its assets. Regarding testing methods, a predominantly quantitative approach, combined with both quantitative and qualitative methods, is employed to assess the changes in income, losses, and capital occupation under stress scenarios. In terms of applying the results, the Bank continuously explores integrating stress testing with key aspects of risk identification, measurement, monitoring, and control, applying the test results to risk management and business decision-making to enhance the foresight and precision of risk management.

Internal Capital Adequacy Assessment

The Bank's internal capital adequacy assessment comprises the risk identification, risk assessment, capital adequacy forecast and stress testing. The risk identification is to make a judgment on all the major risks the Bank is exposed to. The risk assessment provides judgement and assessment on all major risks of the Bank and conducts a comprehensive analysis on the risk profile and management status of various major risks to form the target capital adequacy ratio that meets the internal assessment requirements of the Bank. The capital adequacy forecast is to forecast changes in risk-weighted assets and capital, taking into account the Bank's business planning and financial planning so as to further predict the capital adequacy levels in the following years. The stress testing is to set stress scenarios reflecting business operation, asset-liability portfolio and risk features of the Bank under the premise of analysis on future macroeconomic trends to calculate changes in indicators such as capital adequacy ratios of the Bank under the stress scenarios.

Capital Planning and Management Plan for Capital Adequacy Ratios

To adapt to the current economic and financial situation, the Board of Directors of the Bank reviewed and approved the Capital Planning of ICBC for the 14th Five-Year Plan period. Comprehensively taking into account meeting the domestic and overseas regulatory requirements, preventing financial risks, supporting the real economy development, safeguarding the sound market image, keeping appropriate return on capital and other factors, the Planning defined the capital management objectives and specific measures to be undertaken for the 14th Five-Year Plan period. During the planning period, the Bank will endeavor to ensure that capital adequacy ratios at all tiers comply with the targets set in the Planning and maintain a safety margin and buffer, so as to provide solid capital support for the Bank's high-quality development. The Bank's capital adequacy ratios at all tiers had reached the regulatory standard during the reporting period and will continue to fulfill the regulatory requirements.

OV1: Overview of Risk-Weighted Assets

In RMB millions

		Risk-weighted assets		Minimum capital requirements
		As at 31 December 2024	As at 30 September 2024	As at 31 December 2024
1	Credit Risk	23,386,013	23,185,527	1,870,881
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, banking book asset management products and banking book asset securitization)	23,041,768	22,803,981	1,843,342
3	Of which: Weighted approach	8,132,746	7,890,135	650,620
4	Of which: Exposure formed in the settlement process of securities, commodities and foreign exchange transactions	4	8	–
5	Of which: Amounts below the thresholds for deduction	363,136	390,894	29,051
6	Of which: Foundation IRB approach	11,696,615	11,784,216	935,729
7	Of which: Supervisory slotting approach	–	–	–
8	Of which: Advanced IRB approach	3,212,407	3,129,630	256,993
9	Counterparty credit risk	165,578	180,983	13,246
10	Of which: Standardized approach	165,578	180,983	13,246
11	Of which: Current exposure method	–	–	–
12	Of which: Other approaches	–	–	–
13	Credit valuation adjustment	42,112	43,627	3,369
14	Asset management products in banking book	125,790	145,319	10,063
15	Of which: Look-through approach	65,378	82,738	5,230
16	Of which: Mandate-based approach	60,865	62,199	4,869
17	Of which: 1250% risk weight applied	14	1,266	1
18	Securitization exposures in banking book	10,765	11,617	861
19	Of which: Securitization IRB approach	–	–	–
20	Of which: Securitization external ratings-based approach	678	666	54

OV1: Overview of Risk-weighted Assets (Continued)

In RMB millions

		Risk-weighted assets		Minimum capital requirements
		As at 31 December 2024	As at 30 September 2024	As at 31 December 2024
21	Of which: Securitization standardized approach	–	–	–
	Of which: 1250% risk weight applied	10,087	10,951	807
22	Market risk	380,609	477,675	30,448
23	Of which: Standardized approach	380,368	477,675	30,429
24	Of which: Internal model approach	–	–	–
25	Of which: Simplified standardized approach	241	–	19
26	Capital charge for switch between trading book and banking book	103,748	–	8,300
27	Operational risk	1,840,485	1,882,951	147,239
28	Additional adjustment due to the application of capital floor	–	–	
29	**Total**	**25,710,855**	**25,546,153**	**2,056,868**

Composition of Capital and Total Loss-absorbing Capacity ("TLAC")

CCA: Main Features of Regulatory Capital Instruments and of External TLAC-eligible Non-capital Debt Instruments

Please refer to the Main Features of Regulatory Capital Instruments and of External TLAC-eligible Non-capital Debt Instruments (As at the End of 2024) disclosed by the Bank on the website of the Bank. The web link is as follows:

https://www.icbc-ltd.com/en/column/1438058326864052361.html

CC1: Composition of Regulatory Capital

In RMB millions, except for percentages

		As at 31 December 2024	Reference
COMMON EQUITY TIER 1 CAPITAL			
1	Paid-in capital and valid portion of capital reserve	504,535	e+g
2	Retained earnings	3,085,580	
2a	Surplus reserve	463,951	h
2b	General reserve	614,426	i
2c	Retained profits	2,007,203	j
3	Accumulated other comprehensive income	54,777	
4	Valid portion of minority interests	4,071	
5	**Common equity tier 1 capital before deductions**	**3,648,963**	
COMMON EQUITY TIER 1 CAPITAL: DEDUCTIONS			
6	Prudent valuation adjustments	–	
7	Goodwill (net of deferred tax liabilities)	18,687	a-c
8	Other intangible assets other than land use rights (net of deferred tax liabilities)	10,194	b-k-d
9	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of deferred tax liabilities)	–	
10	Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(4,260)	
11	Shortfall of provision for expected impairment	–	
12	Gain on sales related to asset securitization	–	
13	Unrealized gains and losses due to changes in own credit risk on fair-valued liabilities	–	
14	Defined-benefit pension fund net assets (net of deferred tax liabilities)	–	
15	Direct or indirect investments in own ordinary shares	–	
16	Reciprocal cross-holdings in common equity tier 1 capital between banks, or between banks and other financial institutions	–	

CC1: Composition of Regulatory Capital (Continued)

In RMB millions, except for percentages

		As at 31 December 2024	Reference
17	Deductible amount of non-significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	
18	Deductible amount of significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	
19	Deductible amount of deferred tax assets that rely on future profitability arising from temporary differences (net of deferred tax liabilities)	–	
20	Deductible amount exceeding the 15% threshold for significant minority capital investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation and undeducted portion of deferred tax assets that rely on future profitability arising from temporary differences (net of deferred tax liabilities)	–	
21	Of which: Deductible amount of significant minority investments in common equity tier 1 capital instruments issued by financial institutions	–	
22	Of which: Deductible amount of deferred tax assets that rely on future profitability arising from temporary differences (net of deferred tax liabilities)	–	
23	Others that should be deducted from common equity tier 1 capital	–	
24	Undeducted shortfall that should be deducted from additional tier 1 capital and tier 2 capital	–	
25	**Total deductions from common equity tier 1 capital**	**24,621**	
26	**Net common equity tier 1 capital**	**3,624,342**	
ADDITIONAL TIER 1 CAPITAL			
27	Additional tier 1 capital instruments and related premiums	324,344	
28	Of which: Portion classified as equity	324,344	
29	Of which: Portion classified as liabilities	–	
30	Valid portion of minority interests	767	
31	**Additional tier 1 capital before deductions**	**325,111**	
ADDITIONAL TIER 1 CAPITAL: DEDUCTIONS			
32	Direct or indirect investments in own additional tier 1 capital instruments	–	
33	Reciprocal cross-holdings in additional tier 1 capital between banks, or between banks and other financial institutions	–	
34	Deductible amount of non-significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	

CC1: Composition of Regulatory Capital (Continued)

In RMB millions, except for percentages

		As at 31 December 2024	Reference
35	Significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	
36	Others that should be deducted from additional tier 1 capital	–	
37	Undeducted shortfall that should be deducted from tier 2 capital	–	
38	**Total deductions from additional tier 1 capital**	**–**	
39	**Net additional tier 1 capital**	**325,111**	
40	**Net tier 1 capital**	**3,949,453**	
TIER 2 CAPITAL			
41	Tier 2 capital instruments and related premiums	632,917	
42	Valid portion of minority interests	1,244	
43	Valid portion of surplus provision for expected impairment	402,917	
44	**Tier 2 capital before deductions**	**1,037,078**	
TIER 2 CAPITAL: DEDUCTIONS			
45	Direct or indirect investments in own tier 2 capital instruments	–	
46	Reciprocal cross-holdings in tier 2 capital instruments and other TLAC non-capital debt instruments between banks, or between banks and other financial institutions	–	
47	Deductible amount of non-significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	–	
47a	Deductible amount of non-significant investments in TLAC non-capital debt instruments issued by financial institutions that are not subject to consolidation (only applicable to G-SIBs)	–	
48	Deductible amount of significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	–	
48a	Deductible amount of significant investments in TLAC non-capital debt instruments issued by financial institutions that are not subject to consolidation (only applicable to G-SIBs)	–	
49	Others that should be deducted from tier 2 capital	–	
50	**Total deductions from tier 2 capital**	**–**	
51	**Net tier 2 capital**	**1,037,078**	
52	**Net capital base**	**4,986,531**	
53	**Risk-weighted assets**	**25,710,855**	
CAPITAL ADEQUACY RATIO AND ADDITIONAL CAPITAL REQUIREMENTS			
54	**Common equity tier 1 capital adequacy ratio**	**14.10%**	
55	**Tier 1 capital adequacy ratio**	**15.36%**	
56	**Capital adequacy ratio**	**19.39%**	
57	**Additional capital requirements (%)**	**4.00**	

CC1: Composition of Regulatory Capital (Continued)

In RMB millions, except for percentages

		As at 31 December 2024	Reference
58	Of which: Capital conservation buffer requirement	2.50	
59	Of which: Countercyclical buffer requirement	–	
60	Of which: G-SIBs or domestic systemically important banks (D-SIBs) buffer requirements	1.50	
61	**Ratio of net common equity tier 1 capital available after meeting minimum capital requirements to risk-weighted assets (%)**	**9.10**	
DOMESTIC MINIMA FOR REGULATORY CAPITAL			
62	Common equity tier 1 capital adequacy ratio	5.00%	
63	Tier 1 capital adequacy ratio	6.00%	
64	Capital adequacy ratio	8.00%	
AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION			
65	Undeducted portion of non-significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	169,454	
65a	Undeducted portion of non-significant investments in TLAC non-capital debt instruments issued by financial institutions that are not subject to consolidation (only applicable to G-SIBs)	56,393	
66	Undeducted portion of significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	31,112	
67	Deferred tax assets that rely on future profitability arising from temporary differences (net of deferred tax liabilities)	89,874	
VALID CAPS OF SURPLUS PROVISION FOR EXPECTED IMPAIRMENT IN TIER 2 CAPITAL			
68	Surplus provision for expected impairment under the weighted approach	94,737	
69	Valid cap of surplus provision for expected impairment in tier 2 capital under the weighted approach	94,737	
70	Surplus provision for expected impairment under the IRB approach	308,180	
71	Valid cap of surplus provision for expected impairment in tier 2 capital under the IRB approach	308,180	

CC2: Balance Sheet Differences under Group’s Level Financial Consolidation and Regulatory Consolidation

In RMB millions

		As at 31 December 2024		
		Balance sheet under consolidated financial statements	Balance sheet under regulatory scope of consolidation	Reference
ASSETS				
1	Cash and balances with central banks	3,322,911	3,322,911	
2	Due from banks and other financial institutions	480,765	445,790	
3	Precious metals	208,242	208,242	
4	Placements with banks and other financial institutions	739,111	739,111	
5	Derivative financial assets	222,361	222,361	
6	Reverse repurchase agreements	1,210,217	1,202,293	
7	Loans and advances to customers	27,613,781	27,613,781	
8	Financial investments	14,153,576	13,853,855	
9	Financial investments measured at fair value through profit or loss	1,010,439	886,165	
10	Financial investments measured at fair value through other comprehensive income	3,291,152	3,137,223	
11	Financial investments measured at amortised cost	9,851,985	9,830,467	
12	Long-term equity investments	73,357	81,337	
13	Fixed assets	279,394	279,302	
14	Construction in progress	21,117	21,116	
15	Deferred tax assets	90,047	89,874	
16	Other assets	406,867	398,102	
17	Of which: Goodwill	19,165	18,687	a
18	Intangible assets	24,272	24,027	b
	Of which: Land use rights	13,833	13,833	k
19	**Total assets**	**48,821,746**	**48,478,075**	
LIABILITIES				
20	Due to central banks	169,622	169,622	
21	Due to banks and other financial institutions	4,020,537	4,020,537	
22	Placements from banks and other financial institutions	570,428	570,428	
23	Financial liabilities measured at fair value through profit or loss	76,056	75,912	
24	Derivative financial liabilities	197,795	197,795	
25	Repurchase agreements	1,523,555	1,506,682	

CC2: Balance Sheet Differences under Group's Level Financial Consolidation and Regulatory Consolidation (Continued)

In RMB millions

		As at 31 December 2024		
		Balance sheet under consolidated financial statements	Balance sheet under regulatory scope of consolidation	Reference
26	Certificates of deposit	445,419	445,419	
27	Due to customers	34,836,973	34,837,477	
28	Employee benefits payable	52,553	52,128	
29	Taxes payable	47,854	47,808	
30	Debt securities issued	2,028,722	2,023,575	
31	Deferred tax liabilities	4,278	4,226	
32	Of which: Deferred tax liabilities related to goodwill	–	–	c
33	Deferred tax liabilities related to intangible assets	–	–	d
34	Other liabilities	860,688	545,593	
35	**Total liabilities**	**44,834,480**	**44,497,202**	
EQUITY				
36	Share capital	356,407	356,407	
37	Of which: Valid portion to common equity tier 1 capital	356,407	356,407	e
38	Of which: Valid portion to additional tier 1 capital	–	–	f
39	Other equity instruments	324,344	324,344	
40	Of which: Preference shares	134,614	134,614	
41	Perpetual bonds	189,730	189,730	
42	Capital reserve	148,128	148,128	g
43	Other comprehensive income	47,695	54,777	
44	Surplus reserve	464,365	463,951	h
45	General reserve	614,816	614,426	i
46	Retained profits	2,014,086	2,007,203	j
47	Equity attributable to equity holders of the parent company	3,969,841	3,969,236	
48	Minority interests	17,425	11,637	
49	**Total equity**	**3,987,266**	**3,980,873**	

Note: Prepared in accordance with the Accounting Standards for Business Enterprises.

ICBC-AXA Assurance Co., Ltd. (hereinafter referred to as "ICBC-AXA") is the investee with differences between financial consolidation scope and regulatory consolidation scope of the Group. According to the Rules on Capital Management of Commercial Banks, ICBC-AXA is subject to financial consolidation but not regulatory consolidation. For details of ICBC-AXA as at 31 December 2024, please refer to the Bank's 2024 Annual Report.

For significant changes in the Bank's balance sheet items during the reporting period and the main reasons behind these changes, please refer to the "Discussion and Analysis" section of the Bank's 2024 Annual Report.

Relationship Between Financial Statements and Regulatory Risk Exposure

LIA: Reasons for Differences Between Financial Data and Regulatory Data

There is a difference between the scope of consolidation for the Group's capital adequacy ratio calculation and the scope of financial consolidation, with ICBC-AXA being the investee. In accordance with the relevant provisions of the Rules on Capital Management of Commercial Banks, ICBC-AXA is not included in the regulatory consolidation scope for capital adequacy ratio calculation.

The differences between the book value of assets within the regulatory consolidation scope and the risk exposure values used for regulatory capital measurement are primarily those due to off-balance sheet items, allowance for impairment losses, and netting rules.

Valuation Methods and Management

The Bank employs various valuation methodologies for financial instruments, including the market approach, income approach, and cost approach. Among these, the market approach and income approach serve as the primary valuation methods of financial instrument valuation techniques. The market approach estimates fair value primarily based on market price information, which refers to observable prices of identical or comparable (similar) financial instruments from actual market transactions. The income approach converts future investment (such as cash flows or earnings) into present value through discounting. It reflects current market expectations of future cash flows and encompasses present value techniques, option pricing models and others. The cost approach typically estimates fair value based on the replacement cost or current cost of an asset, with necessary adjustments.

For investment instruments that are traded in an active market and have available quotes for identical assets or liabilities, the value is determined directly using the quoted market price on the valuation date. These financial instruments include certain bonds, publicly traded stocks listed on stock exchanges, and securities investment funds that disclose net asset values per share. For investment instruments lacking an active market, fair value is determined using valuation techniques that are appropriate under current conditions and supported by sufficient available data and other relevant information. These financial instruments include certain fixed-income securities, over-the-counter derivatives, equity of unlisted companies, and other structured financial instruments.

To ensure prudent and reliable valuation, the Bank conducts validation checks by comparing market data, transaction data, and valuation results against booked valuation entries.

If valuation techniques are used to measure the fair value of financial instruments, and significant adjustments or changes to valuation methodologies or input parameters are involved, it should be determined through joint discussions between the Bank's Finance & Accounting Department, front-office financial instrument management departments, and the Risk Management Departments.

Insurance Subsidiary

In accordance with the relevant provisions of the Rules on Capital Management of Commercial Banks, when measuring the consolidated capital adequacy ratio, the investment in ICBC-AXA is processed in accordance with the regulatory rules. The Bank does not recognize any surplus reserves of its insurance subsidiary when calculating the consolidated capital adequacy ratio.

Remuneration

REMA: Remuneration Management Policies

Remuneration Governance Framework

In line with corporate governance requirements, the Bank is committed to establishing and improving remuneration governance framework, specifying the scope of roles and responsibilities of relevant entities, improving decision-making mechanism of remuneration policies and building remuneration governance system with full participation of all stakeholders.

The Board of Directors assumes the ultimate responsibility of remuneration management. The Board of Directors proactively supervises the design and operation of the remuneration system, periodically reviews its compliance, and ensures the remuneration system achieves the intended goals. The Bank set up the Compensation Committee of the Board of Directors in accordance with the Articles of Association to assist the Board of Directors in remuneration management. The Compensation Committee consists of at least three directors, the majority of which shall be independent directors, and is chaired by an independent director. The Senior Management is responsible for organizing and implementing remuneration management related resolutions of the Board of Directors as well as organizing and formulating incentive assessment and remuneration distribution measures within the scope of authorization. The Human Resources Department is responsible for implementing specific remuneration management measures. Departments including the Risk Management Department, the Internal Audit Bureau, the Internal Control and Compliance Department and the Finance and Accounting Department participate in and supervise the execution of remuneration management mechanism and provide feedback for improvement. In 2024, the Compensation Committee of the Board of Directors held a total of five meetings.

For details regarding the Bank's Senior Management, please refer to the Bank's 2024 Annual Report. The Bank determines the positions that have a direct or significant influence on the Group's operational risk based on its institutional structure category and features, market scale, and risk management capabilities.

Remuneration Management Policy

The Bank adopts a remuneration policy that is in line with corporate governance requirements, in combination with high-quality development targets, in accord with 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 applies to all institutions and employees of the Bank. Remuneration for risk and compliance employees is based on their value contributed, capability, and job performance, not directly related to their responsible businesses. The Bank sets up a vertical internal audit system, which is accountable to the Board of Directors and reports to the Board of Directors directly. The remuneration of the internal audit employees is independent of that of other lines of business.

The Bank's remuneration policy is in line with the risk management system and adapted to the institutional scale, and the nature and the sophistication of the business. The remuneration structures of each institution or position are different according to the need of risk management. The Bank adjusts the risks that have not yet been reflected in the period by taking risk mitigation measures including risk-adjusted performance and deferred remuneration payment, and implements performance assessment and incentives to promote a positive and healthy risk management culture. According to operation and management needs, the Bank implements the deferred payment and recovery mechanism for performance-based remuneration of Senior Management members and employees in positions that have a significant influence on the risks. For employees who violate rules and disciplines or incur significant exposure of risk losses within their responsibilities, the Bank shall deduct, stop payment or recall their performance-related remuneration for the corresponding period according to the severity.

The cash remuneration package of the Bank's employees mainly consists of basic remuneration and performance-based remuneration. The basic principle of remuneration distribution is "position-based salary, ability-based salary and performance-based award". The basic remuneration depends on an employee's value contribution and ability to perform duties, and the performance-based remuneration is based on the overall performance of the Bank, the employee's institution or department, and the employee's personal performance measurement results.

Centering on value creation, risk control and sustainable development, the Bank has established an integrated performance assessment system comprised of three categories of indicators: performance management, risk and internal control, operational transformation and business development, which guides the bank-wide attention to not only the indicators of current period, but also the indicators relating to long-term development, such as customers, markets and structural adjustments. The Bank also reasonably controls the balance of profits, risk and quality so as to improve the robustness and scientific nature of business management.

Currently, in accordance with relevant laws and regulations promulgated by the state and regulatory authorities, the Bank has not yet implemented share options or any other form of long- or medium-term share incentives, all performance-based remuneration of the employees is paid in cash.

Credit Risk

CRA: Qualitative Information on Credit Risk

Credit Risk Governance Framework

The Bank continuously enhances its credit risk management in response to evolving internal and external risk conditions, establishing a credit risk management framework that aligns with its business model.

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.

The Bank has established and operates the "Three Gates and Seven-color Pools" intelligent credit risk control system at a high standard, enhancing its capacity for early identification, warning, exposure, and resolution of risks. At the entrance end, the Bank emphasizes the guidance of medium- and long-term investment and financing business development planning. The Bank lays down and refines policies related to authorization, industry, region, customer, and supply chain, and implements and continuously upgrades credit approval policies. It also strengthens precise credit allocation in key areas, enhances asset selection capabilities, and proactively optimizes credit structure and layout. At the threshold end, the Bank continuously optimizes the duration management system and mechanisms, operates a comprehensive credit risk monitoring and warning system covering the entire Group, all customers, all products, and all processes, and reinforces risk prevention, mitigation, and resolution in key areas. At the exit end, the Bank strengthens the consciousness of risk asset operation, implements a Risk Asset Revitalization Plan and establishes a direct operation and management mechanism for risk assets. It strengthens standardized full-process management, improves the accountability review and identification system for credit risk incidents, and enhances the quality and efficiency of risk asset operation through multiple measures.

The Bank continuously enhances its credit risk management mechanism with the joint risk prevention and control of three lines of defense. It has set up a credit risk management division system with front-office business departments as the first line, middle- and back-office risk management departments as the second line, and the internal audit department as the third line. In accordance with enterprise risk management requirements, the Bank defines the specific responsibilities of "active prevention, smart control and comprehensive management" for each line of defense. The Bank strengthens cross-departmental collaboration in risk management, establishes a regular joint risk prevention and control mechanism for credit risk, enhances organizational coordination, and fosters integrated credit risk management.

As the second line of defense, the Bank's credit risk management department is responsible for formulating and implementing credit risk policies, standards, and requirements, reinforcing full process business management with risk control measures. It also keeps enhancing the collaboration between the Group's credit risk management departments and the compliance department or internal audit departments. The compliance department coordinates with the credit risk management department to take part in compliance management in credit risk business area, enhance integrity risk governance, and conduct responsibility identification and accountability for credit risk incidents in accordance with regulatory requirements and the Group's policies. The internal audit department, as the third line of defense, is responsible for credit risk management audit and supervision, provides audit recommendations, and drives improvements in the credit risk management governance and mechanism, policies and systems, and business processes to increase risk control efficiency.

Credit Risk Management Policies and Limits

Regarding credit risk management policies, the Bank has established a comprehensive framework covering authorization, industry, region, customer, and supply chain. This framework guides branches and subsidiaries to focus on key areas of the real economy, strategically adjust credit structure, proactively prevent risks, and effectively align with the Group's risk appetite. The Bank continuously refines its credit risk business authorization management system. Considering regional resource endowments, institutional operational capabilities, and risk control levels, it implements a tiered and categorized authorization arrangement to ensure alignment of authority, responsibility, and capability with dynamic management. From industrial perspective, the Bank aligns with national strategies, conducts in-depth analysis on industry trends and risk characteristics, and formulates annual industry investment and financing policies. With these policies, the Bank aims to optimize industry investment allocation and structure, support the development of a modernized industrial system, and enhance proactive management of systemic industry risks. From regional perspective, the Bank earnestly responds to the coordinated regional development strategy, continuously improves its differentiated credit policies to support major initiatives, such as the Beijing-Tianjin-Hebei coordinated development, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta Integration, the rise of Central China, the revitalization of Northeast China, and the large-scale development of China's western regions. Additionally, it optimizes its global credit asset allocation. From customer perspective, the Bank customizes financial service offerings and risk management strategies based on the financial needs and risk profiles of different customer segments. From industrial chain perspective, the Bank provides integrated financial service support for key industrial chains, strengthens targeted risk controls, and facilitates the orderly flow of production resources toward high-efficiency segments, thereby improving resource allocation efficiency.

Regarding credit risk limits, the Bank has established a unified investment and financing risk limit management system, centering on customers. This system consolidates the debt and equity investment and financing services provided to customers through proprietary operation or agency service under a unified risk limit management framework to effectively control customers' total financing cap. The Bank strictly adheres to large risk exposures management regulations, improving its large risk exposures management system and related systems. It enhances large exposure limit management, and conducts large exposure identification, measurement, monitoring and regulatory information reporting in an orderly manner.

Credit Risk Reporting

In compliance with regulatory requirements and Group management standards, the Bank conducts quarterly credit risk monitoring analysis and reporting. Reports primarily cover the overall situation of the Group's credit risk business, exposure to credit risk, risk conditions and changes in institution, region, industry, customer, and product dimensions and key areas, contents related to risk measurement including but not limited to credit ratings and capital occupation, risk concerns and credit risk management suggestions.

CR5-2: Credit Risk Exposure Amounts and Credit Conversion Factors (CCFs) (Categorized Based on Risk Weight)

In RMB millions, except for percentages

		As at 31 December 2024			
	Risk weight	Balance of on-balance sheet assets	Off-balance sheet assets (pre-CCF)	Weighted average CCF(2)	Exposure (post-CCF and post-credit risk mitigation (CRM))
1	Less than 40%	15,795,087	409,748	54.72%	16,681,711
2	40-70%	3,496,969	297,088	60.86%	3,713,480
3	75%	1,028,945	189,086	36.57%	905,367
4	85%	54,182	39,018	33.64%	66,629
5	90-100%	3,145,962	502,715	33.89%	2,841,317
6	105-130%	49,253	11,775	39.27%	52,416
7	150%	344,874	3,149	39.46%	343,528
8	250%	297,297	–	–	297,297
9	400%	3,152	–	–	3,152
10	1250%	17,033	–	–	17,033
11	**Total**	**24,232,754**	**1,452,579**	**45.68%**	**24,921,930**

Notes: (1) The data disclosed in the above table is the amount of risk exposures uncovered by the IRB approach but using the weighted approach.

(2) Weighted average CCF is weighted based on off-balance sheet exposure (pre-CCF).

CRE: Qualitative Information on Internal Rating Models

Development and Management of Internal Rating Models

The Bank's Risk Management Department has established an internal rating model development team, a validation team, and an approval committee. The development team is responsible for building and optimizing models based on business development and risk management needs. The validation team conducts validation and monitoring of capital measurement models. The model approval committee collectively reviews the launch of new models. During model usage, the development team regularly monitors model performance and promptly undertakes calibration and optimization based on monitoring findings. A model risk management policy framework has been established, along with the design and development of a model risk management system to support the full lifecycle management of capital measurement models.

The Bank's Internal Audit Bureau operates independently from the Risk Management Department. Each year, the former conducts independent special audits to review the management of internal rating and measurement models for both retail and non-retail portfolios, reporting audit results to the Board of Directors and Senior Management.

A model development report is a written document prepared by the development team in accordance with the Group's requirements and regulatory rules, comprehensively recording the model design and development process. It primarily includes details on the model development process, methodology, data processing, model performance, monitoring, and validation. A model validation report is a written document prepared by the validation team in accordance with the Group's requirements and regulatory rules, comprehensively recording the model validation process. It primarily includes verification of modeling methodology, data, development process, and model performance.

Scope of Application for Internal Rating Models

Upon acceptance by the National Financial Regulatory Administration ("NFRA") or its dispatched offices, the Bank applies the Foundation IRB approach for capital measurement of non-retail credit risk exposures. This applies at the legal entity level, covering corporate risk exposures at the Head Office and domestic branches. The exposure categories include general corporate, small and medium-sized enterprises (SMEs), and specialized lending subcategories. For retail credit risk exposures, the Bank adopts the Advanced IRB approach for capital measurement. This applies to all retail risk exposures at domestic branches, except for designated installment loans and low-limit credit cards. The exposure categories include retail residential mortgages, qualifying revolving retail exposures, and other retail risk exposures. Under the Foundation IRB approach, EAD accounts for 33.4% of the total EAD, while RWA under this approach represents 51.0% of the total RWA. Under the Advanced IRB approach, EAD accounts for 17.1% of the total EAD, while RWA under this approach represents 14.0% of the total RWA. During the reporting period, no new asset portfolios were included within the scope of internal rating model implementation.

Key Features and Parameters of Internal Rating Models

The Bank's internal rating models for non-retail credit risk are categorized based on enterprise size, nature, operating characteristics, and business duration. These models include distinct rating frameworks for large and medium-sized enterprises, micro and small enterprises, public institutions, and newly established businesses. For non-retail credit risk, the PD represents the likelihood that a corporate client will default within the next year. The corporate rating process relies on statistical methodologies supplemented by expert judgment, incorporating multiple techniques established in the industry such as logistic regression and expert assessment. These models are developed using both internal and external data sources, including customer profile data, financial statements, loan agreements and collateral information, business registration records, and historical default data. The Bank ensures that the estimated PD for non-retail exposures adheres to capital floor requirements, maintaining a level slightly above actual default rates in line with prudential regulatory requirements. Under the Foundation IRB approach, the Bank's LGD and CCF are assigned by regulatory authorities.

For retail credit risk, the Bank's internal rating models are specifically designed for different exposure categories, such as retail residential mortgages, qualifying revolving retail exposures, and other retail exposures. These models aim to capture the distinct risk characteristics of each exposure type and enhance risk sensitivity in measurement. The PD in retail credit risk models represents the likelihood that an individual credit asset will default within a year. PD estimates are derived based on asset pool segmentation, considering historical risks, risk trends, maturity, capital floors, and other risk factors. The estimation process employs mathematical statistic methodologies, using data with an observation period of no less than five years. The LGD in the retail credit risk internal rating model refers to the proportion of the loss amount resulting from a debt default in its total exposure at default. It reflects the extent of loss incurred after default. Based on asset pool segmentation, the LGD estimation incorporates factors such as the worst historical levels and average levels to determine the downturn adjustment factor. It adheres to regulatory minimum requirements and is estimated using mathematical statistic methods. Due to differences in the characteristics of product recovery and disposal, the length of the recovery period varies across different products. The CCF of the retail credit risk internal rating model reflects the ratio of the expected drawn loan amount to the undrawn credit limit at the rating date during the period from the rating date to the default date. This is estimated using mathematical statistic methods, considering factors such as downturn conditions and regulatory floors. The data observation period used for estimating PD, LGD, and CCF in retail credit risk models is generally no less than five years.

CR6: IRB – Credit Risk Exposures by Portfolio and Probability of Default (PD) Range

In RMB millions, except for percentages

PD scale (%)	As at 31 December 2024 Balance of on-balance sheet assets	Off-balance sheet assets (pre-CCF)	Average CCF	Exposure at default (EAD) (post-CRM and post-CCF)	Average PD (weighted EAD)	Number of customers	Average loss given default (LGD)	Average maturity (years)	Risk-weighted assets (RWA)	Risk weight	Expected loss (EL)	Allowance for impairment losses
Foundation internal ratings-based approach – corporate												
[0.00,0.15)	1,992,325	528,116	17.90%	2,086,835	0.09%	601	39.91%	2.5	530,236	25.41%	720	
[0.15,0.25)	1,074,270	591,584	33.05%	1,269,791	0.15%	1,781	38.54%	2.5	499,983	39.38%	734	
[0.25,0.50)	2,687,809	1,104,426	21.20%	2,921,917	0.34%	6,660	39.30%	2.5	1,517,028	51.92%	3,944	
[0.50,0.75)	–	–	–	–	–	–	–	–	–	–	–	
[0.75,2.50)	6,669,381	2,842,969	20.07%	7,240,070	1.51%	133,596	37.82%	2.5	5,870,731	81.09%	41,076	
[2.50,10.00)	2,855,726	921,994	19.60%	3,036,431	4.28%	314,874	37.46%	2.5	3,080,430	101.45%	48,644	
[10.00,100.00)	118,521	16,544	76.01%	131,097	44.10%	8,265	35.00%	2.5	193,989	147.97%	20,563	
100 (default)	220,509	3,640	11.62%	220,931	100.00%	12,579	39.66%	2.5	4,218	1.91%	177,540	
Total of foundation internal ratings-based approach (all portfolios)	15,618,541	6,009,273	21.44%	16,907,072	3.15%	478,356	38.32%	2.5	11,696,615	69.18%	293,221	526,934
Of which: Foundation internal ratings-based approach – corporate – specialised loans												
[0.00,0.15)	4,930	343	15.01%	4,981	0.10%	5	40.00%	2.5	1,313	26.36%	2	
[0.15,0.25)	4,326	2,255	–	4,326	0.15%	12	40.00%	2.5	1,439	33.27%	3	
[0.25,0.50)	28,621	14,087	4.13%	29,202	0.35%	28	38.91%	2.5	14,670	50.23%	40	
[0.50,0.75)	–	–	–	–	–	–	–	–	–	–	–	
[0.75,2.50)	93,929	41,047	0.16%	93,994	1.60%	128	39.65%	2.5	87,728	93.33%	594	
[2.50,10.00)	36,889	19,086	4.83%	37,810	4.18%	58	39.60%	2.5	46,963	124.21%	625	
[10.00,100.00)	244	–	–	244	56.00%	1	40.00%	2.5	433	177.80%	55	
100 (default)	1,227	–	–	1,227	100.00%	5	39.87%	2.5	–	–	1,149	
Subtotal	170,166	76,818	2.11%	171,784	2.65%	237	39.53%	2.5	152,546	88.80%	2,468	3,995

CR6: IRB – Credit Risk Exposures by Portfolio and Probability of Default (PD) Range (Continued)

In RMB millions, except for percentages

PD scale (%)	Balance of on-balance sheet assets	Off-balance sheet assets (pre-CCF)	Average CCF	Exposure at default (EAD) (post-CRM and post-CCF)	Average PD (weighted EAD)	Number of customers[1] (10,000)	Average loss given default (LGD)	Average maturity (years)	Risk-weighted assets (RWA)	Risk weight	Expected loss (EL)	Allowance for impairment losses
Advanced internal ratings-based approach – retail – retail residential mortgage exposures												
[0.00,0.15)	3,090,044	–	–	3,090,044	0.07%	710	30.78%	–	178,574	5.78%	713	
[0.15,0.25)	705,950	–	–	705,950	0.20%	135	32.26%	–	92,417	13.09%	462	
[0.25,0.50)	576,161	–	–	576,161	0.34%	125	30.43%	–	104,421	18.12%	605	
[0.50,0.75)	–	–	–	–	–	–	–	–	–	–	–	
[0.75,2.50)	1,259,942	–	–	1,259,942	1.96%	282	29.80%	–	713,987	56.67%	7,308	
[2.50,10.00)	–	–	–	–	–	–	–	–	–	–	–	
[10.00,100.00)	291,695	–	–	291,695	21.10%	69	27.53%	–	370,418	126.99%	17,324	
100 (default)	51,441	–	–	51,441	100.00%	12	43.25%	–	66,242	128.77%	22,247	
Subtotal	5,975,233	–	–	5,975,233	2.40%	1,333	30.66%	–	1,526,059	25.54%	48,659	77,745
Advanced internal ratings-based approach – retail – qualifying revolving retail exposures												
[0.00,0.15)	82,831	870,638	37.71%	411,116	0.09%	6,150	54.72%	–	12,526	3.05%	206	
[0.15,0.25)	16,979	23,106	53.56%	29,355	0.19%	470	56.98%	–	1,717	5.85%	32	
[0.25,0.50)	18,810	119,734	33.28%	58,651	0.28%	2,167	53.59%	–	4,381	7.47%	88	
[0.50,0.75)	21,085	25,615	49.03%	33,645	0.57%	233	57.02%	–	4,757	14.14%	110	
[0.75,2.50)	24,391	23,681	61.38%	38,926	1.56%	235	56.72%	–	11,671	29.98%	344	
[2.50,10.00)	31,269	14,543	62.61%	40,374	4.77%	310	57.47%	–	26,858	66.52%	1,108	
[10.00,100.00)	45,469	7,671	64.97%	50,453	21.91%	386	57.50%	–	70,514	139.76%	6,362	
100 (default)	22,415	3	–	22,415	100.00%	101	64.47%	–	33,574	149.79%	14,450	
Subtotal	263,249	1,084,991	38.87%	684,935	5.37%	10,052	55.63%	–	165,998	24.24%	22,700	36,781

CR6: IRB – Credit Risk Exposures by Portfolio and Probability of Default (PD) Range (Continued)

In RMB millions, except for percentages

PD scale (%)	Balance of on-balance sheet assets	Off-balance sheet assets (pre-CCF)	Average CCF	Exposure at default (EAD) (post-CRM and post-CCF)	Average PD (weighted EAD)	Number of customers[1] (10,000)	Average loss given default (LGD)	Average maturity (years)	Risk-weighted assets (RWA)	Risk weight	Expected loss (EL)	Allowance for impairment losses
Advanced internal ratings-based approach – retail – other retail exposures												
[0.00,0.15)	171,158	3,656	26.70%	172,135	0.11%	66	66.49%	–	37,914	22.03%	131	
[0.15,0.25)	94,514	–	–	94,514	0.18%	39	67.55%	–	28,734	30.40%	117	
[0.25,0.50)	520,496	–	–	520,495	0.35%	214	62.24%	–	230,465	44.28%	1,121	
[0.50,0.75)	235,604	–	–	235,604	0.53%	120	63.97%	–	137,005	58.15%	820	
[0.75,2.50)	482,836	–	–	482,836	1.54%	277	65.69%	–	447,902	92.76%	5,042	
[2.50,10.00)	295,689	–	–	295,689	4.34%	186	60.30%	–	319,065	107.91%	7,867	
[10.00,100.00)	169,230	–	–	169,230	21.19%	142	67.32%	–	264,934	156.55%	24,531	
100 (default)	31,096	–	–	31,096	100.00%	53	67.10%	–	54,331	174.72%	20,865	
Subtotal	2,000,623	3,656	26.70%	2,001,599	4.53%	1,097	64.11%	–	1,520,350	75.96%	60,494	91,794
Total of advanced internal ratings-based approach (all portfolios)	8,239,105	1,088,647	38.82%	8,661,767	3.13%	12,482	40.37%	–	3,212,407	37.09%	131,853	206,320

Note: (1) Retail risk exposures are disclosed based on the number of debts.

Counterparty Credit Risk

CCRA: Qualitative Information on Counterparty Credit Risk

In accordance with the requirements of the Rules on Capital Management of Commercial Banks, the Bank uses the standardized approach to measure counterparty credit risk (including central counterparty risk exposure). For over-the-counter derivatives trading, the Bank enters into Credit Support Annex ("CSA") under the ISDA master agreement with certain counterparties in accordance with the requirements of both sides' regulatory authorities. The agreement stipulates that both parties mark-to-market their outstanding transaction portfolios daily, and the party with a market value loss must provide qualified collateral to the counterparty for the amount of the loss. For counterparties that have not signed a CSA agreement, the Bank will adjust the signing strategy based on changes in domestic and international compliance and regulatory requirements in due course.

The Bank conducts daily management of counterparty collateral according to the terms of the agreement, and collects collateral based on the counterparty's market value loss in the transaction portfolio under the agreement, effectively mitigating the counterparty credit risk the Bank bears in derivatives trading. For securities financing transactions, specific risk management measures are agreed upon in the master agreement. Currently, the Bank only accepts and pays cash collateral under the CSA of the ISDA master agreement, which is unrelated to the counterparty's credit or the market value of the derivatives trading portfolio.

Where the Bank's credit rating is downgraded, it shall be set based on the agreement provisions as to whether the Bank has to provide extra collateral to its counterparty. In case that there is no relevant provision in the agreement, such downgrading will not affect both sides' collateral exchange; and if there is relevant provision in the agreement, the quantity of collateral will be adjusted as per the provision.

CCR1: Counterparty Credit Risk Exposures by Approach

In RMB millions, except for α value

		As at 31 December 2024					
		Replacement cost (RC)	Potential future exposure (PFE)	PFE add-on	Alpha (α) used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Standardized approach (derivatives)	161,606	170,599		1.4	465,088	117,495
2	Current exposure method (derivatives)	—		—	1	—	—
3	Securities financing transactions (SFTs)					653,015	44,247
4	**Total**					**1,118,103**	**161,742**

Asset Securitization

SECA: Qualitative Information on Asset Securitization

As the originator of credit asset securitization, the Bank's main objectives in engaging in asset securitization are to optimize the credit structure and disposing of non-performing assets. The transaction has transferred nearly all of the risks and rewards related to the underlying assets. As an institutional investor, the Bank's main objectives in engaging in asset securitization are to generate returns and diversify the portfolio structure. The underlying assets of the asset-backed securities invested by the Bank are of high quality, and no risk events have occurred during the holding period.

For information regarding asset securitization accounting policies, please refer to the relevant content in the notes to the financial statements in the Bank's 2024 Annual Report, which outlines the main accounting policies and estimates.

In 2024, the external rating agencies involved in the Bank's credit asset securitization business included China Bond Rating Co., Ltd., Golden Credit Rating International Co., Ltd., and Fitch (China) Bohua Credit Ratings Ltd.

SEC1: Securitization Exposures in the Banking Book

In RMB millions

		As at 31 December 2024											
		Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
		Traditional	Of which simple, transparent and comparable (STC)	Synthetic	Subtotal	Traditional	Of which STC	Synthetic	Subtotal	Traditional	Of which STC	Synthetic	Subtotal
1	**Retail total**	**30,080**	**-**	**-**	**30,080**	**-**	**-**	**-**	**-**	**1,950**	**-**	**-**	**1,950**
2	Of which: Residential mortgage	30,053	-	-	30,053	-	-	-	-	1,950	-	-	1,950
3	Of which: Credit card	27	-	-	27	-	-	-	-	-	-	-	-
4	Of which: Other retail	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which: Re-securitization	-		-	-	-		-	-	-		-	-
6	**Wholesale total**	**48**	**-**	**-**	**48**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**
7	Of which: Loans to corporates	48	-	-	48	-	-	-	-	-	-	-	-
8	Of which: Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
9	Of which: Lease and receivables	-	-	-	-	-	-	-	-	2	-	-	2
10	Of which: Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which: Re-securitization	-		-	-	-		-	-	-		-	-

SEC2: Securitization Exposures in the Trading Book

The Bank's trading book does not involve any securitization transactions.

Market Risk

MRA: Qualitative Information on Market Risk

Market Risk Governance Framework

The Bank strictly complies with regulatory requirements on market risk management, has implemented an independent, centralized and coordinated market risk management mode, 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 compliance with the Rules on Capital Management of Commercial Banks, the Bank has clearly defined the scope and classification criteria for financial instruments, foreign exchange, and commodity positions included in the trading book and banking book. Additionally, the Bank has specified conditions for internal risk transfer and book transfers between the banking book and trading book, with periodic assessments to ensure consistency in execution. The Bank has implemented a centralized trading mechanism across the Group, where bond transactions between entities within the Group involve the transfer of securities from the trading book to the banking book, leading to book transfers. This business model has been approved by the NFRA, and as at the end of 2024, the total fair value of outstanding bond transactions involving book transfers amounted to RMB104,238 million.

The Bank does not engage in internal risk transfer activities or any form of internal risk transfer.

Market Risk Management Strategy and Process

The Bank has established a complete market risk policy and system framework that defines full-process market risk management requirements, covering the identification, measurement, monitoring, and reporting of market risks related to interest rates, exchange rates, equities, and commodities. For different business activities or trading portfolios, the Bank has specified hedging strategies and exposure control requirements and continuously monitored the effectiveness of hedging instruments through limit management, product risk assessment, and mark-to-market reporting. The Bank adheres to a holistic risk management approach to people, money and policy system and the baseline of preventing systemic risks. Through balancing development and security, the Bank strives to stay ahead of market trends in risk management, ensuring and promoting the Bank’s high-quality growth.

Market Risk Reporting and Measurement System

The Bank's market risk reporting covers the Group's overall market risk conditions and management status. It includes risk exposure analysis by business and institution, risk factor measurement results and analysis, profit and loss analysis, limit execution status, stress testing, performance and application of market measurement models, and management recommendations. These reports are characterized by comprehensive coverage, accurate and reliable data, timeliness and effectiveness, and standardized compilation, effectively supporting the Group's market risk management needs.

The Bank uses a self-developed global market risk management system for market risk measurement. The measurement scope includes default risk, general interest rate risk, credit spread risk, equity risk, as well as foreign exchange and commodity risk across all books. This system is characterized by centralized data, a unified platform, and independent development, effectively meeting the Bank's market risk measurement and consolidated management requirements.

MR1: Market Risk under the Standardized Approach

In RMB millions

		As at 31 December 2024 Capital requirement in standardized approach
1	General interest rate risk	6,426
2	Equity risk	409
3	Commodity risk	387
4	Foreign exchange risk	3,091
5	Credit spread risk – non-securitized products	6,940
6	Credit spread risk – securitization (non-correlation trading portfolios)	–
7	Credit spread risk – securitization (correlation trading portfolios)	–
8	Default risk – non-securitized products	13,124
9	Default risk – securitization (non-correlation trading portfolios)	–
10	Default risk – securitization (correlation trading portfolios)	–
11	Residual risk add-on	52
12	**Total**	**30,429**

MR3: Market Risk under the Simplified Standardized Approach

In RMB millions

		As at 31 December 2024		
			Options	
		Non-option products	Simplified approach	Delta-plus method
1	Interest rate risk	8	–	–
2	Equity risk	–	–	–
3	Commodity risk	–	–	–
4	Foreign exchange risk	8	–	–
5	Securitization risk	–		
6	**Total**	**19**	**–**	**–**

Operational Risk

ORA: Qualitative Information on Operational Risk

Operational Risk Governance Framework and Basic Systems

The Bank strictly adheres to regulatory requirements for operational risk management in establishing its operational risk management framework. The Board of Directors, the Board of Supervisors, the Senior Management, and the Operational Risk Management Committee are responsible for decision-making, supervision, and execution of operational risk management. Relevant departments fulfill their responsibilities in implementing the three lines of defense according to their management functions. A comprehensive risk data and information-sharing mechanism is established both within and between the three lines of defense, forming a closely integrated and balanced operational risk management system. Departments fulfilling the first line of defense functions are directly responsible for managing operational risks within their respective areas. Departments collectively fulfilling the second line of defense functions include various Internal Control & Compliance Departments at all levels, along with functional management departments such as Legal Affairs, Security, Financial Technology, Data Management, Financial Accounting, Operation Management, and Human Resources. They also include cross-risk management departments like Credit and Investment Management and Risk Management, and operational risk capital measurement departments such as Risk Management and Asset-liability Management. These departments respectively play the leading role in operational risk management, specific risk category management, operational risk management related to credit and market risks, and operational risk capital measurement. Additionally, they guide and supervise the operational risk management of the first line of defense, continuously enhancing the consistency and effectiveness of operational risk management. The internal Audit Departments, forming the third line of defense, supervise and evaluate the effectiveness of the first and second lines of defense.

The Bank has established a comprehensive operational risk management process that includes risk identification, assessment, monitoring, control or mitigation, measurement, reporting, and accountability. An operational risk management framework has been set up, covering self-assessment of operational risks and controls, key operational risk indicators, major operational risk event management, internal loss data collection and management, stress testing, business continuity programs and emergency plans, cybersecurity and data security, as well as responsibility identification and employee misconduct handling. The Bank has developed a Group-wide operational risk management system, with operational risk management regulations at the leading role, the management rules of specific risk management tools as the main part, and detailed operational manuals as the supplement.

The goal of the Bank's operational risk management is to effectively prevent operational risks, reduce losses, enhance resilience to internal and external shocks, and ensure robust business operations.

The Bank's Board of Directors is responsible for formulating the basic internal control systems and supervising their implementation. The Audit Committee under the Board of Directors oversees the development of internal control systems and evaluates 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 methodologies and adopting risk control measures. The Risk Management and Internal Control Committee, under the Senior Management, is responsible for internal control and evaluating its adequacy and effectiveness. The Bank's Head Office and branches have internal control & compliance departments responsible for organizing, promoting, and coordinating internal controls across the Bank.

Operational Risk Measurement and Reporting

The Bank's Operational Risk Capital Measurement System supports flexible configuration of Business Indicator mapping rules and automatically calculates capital measurement results based on embedded formulas. The Bank's operational risk event management system supports the collection and processing of operational risk loss events, and continuously strengthens data quality control through system verification, approval and verification. The system can automatically count the operational risk loss data included in the measurement scope and use it to calculate the internal loss multiplier.

In accordance with regulatory requirements and the Bank's management system, the Board of Directors serves as the decision-making body for operational risk management, responsible for strengthening supervision and control of operational risks and bearing ultimate responsibility for monitoring the effectiveness of operational risk management. The scope of operational risk management matters reported to the Board of Directors primarily includes: the overall operational risk management policies aligned with the Bank's strategic objectives and applicable to the entire institution; the operational risk appetite and the formulation of limit indicators; reports submitted by the Senior Management that include operational risk-related matters; implementation status of operational risk identification, assessment, monitoring, control, or mitigation measures by the Senior Management; and audits and supervision on operational risk from the internal audit department.

The Senior Management and its Operational Risk Management Committee serve as the executing bodies for operational risk management, responsible for implementing the risk management strategies, overall policies, and systems approved by the Board of Directors. The scope of operational risk management matters reported to the Senior Management mainly includes: operational risk management policies, procedures, and specific operational guidelines; implementation status of operational risk identification, assessment, monitoring, and mitigation; operational risk management reports, and reports on major operational risk event reports.

Operational Risk Mitigation

The Bank upholds the core values of its risk management culture of "compliance with laws and regulations, prudence and pragmatism, integrity and rigor, professionalism and collaboration, and accountability at all levels". It strives to cultivate a risk management culture that aligns with regulatory requirements, supports the Bank's growth, and reflects its characteristics. Within the enterprise risk management framework, the Bank has established an operational risk management system and risk appetite, ensuring that the operational risk appetite is effectively communicated across institutions and business lines through risk limit indicators in a timely manner. Adhering to a compliance-driven, prudent, and stable management philosophy, the Bank follows risk appetite management system requirements, maintaining a robust risk appetite with a preference for low losses, low incidence of fraud, low accident rates, and minimal regulatory violations. The Bank uses operational risk and control self-assessment, key risk indicator monitoring, loss data collection and other management tools to identify and assess inherent risks and effectiveness of control measures based on the operational risk appetite, determine the remaining operational risk and its level, formulate and improve control measures, and adopt mitigation measures such as insurance and business outsourcing to reduce operational risk exposure. The Bank regularly optimizes operational risk management tools, and continuously strengthens operational risk control by using new tools such as event management, control monitoring and assurance framework, scenario analysis and baseline comparable analysis based on actual conditions.

OR3: Operational Risk Capital Requirement

In RMB millions, except for the internal loss multiplier

		As at 31 December 2024
1	Business indicator component (BIC)	147,239
2	Internal loss multiplier (ILM)	1
3	Operational risk capital requirement (ORC)	147,239
4	Operational risk-weighted assets (RWA)	1,840,485

Interest Rate Risk in the Banking Book

IRRBBA: Risk Management Objectives and Policies for 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.

Governance Framework for Interest Rate Risk in the Banking Book

In strict compliance with domestic and international regulatory requirements, the Bank has 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 assumes the ultimate responsibility for managing interest rate risk in the banking book, while the Senior management is responsible for its implementation. The Asset and Liability Management Committee of the Senior Management is authorized to perform certain duties on behalf of the Senior Management. 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.

Management and Measurement of Interest Rate Risk in the Banking Book

The Bank maintains a stable and prudent management preference for interest rate risk in the banking book, formulating risk management strategies based on risk appetite, risk conditions, macro economy, and market dynamics. Management policies are developed and implemented based on interest rate trend forecasts and the measurement results of changes in overall returns and economic value. A combination of quantitative tools for interest rate risk, pricing instruments, and derivatives is employed to conduct on-balance-sheet adjustments and off-balance-sheet hedging, continuously optimizing the interest rate exposure structure beneficial to both the current profitability and long-term stable value growth. For the relevant accounting treatments of hedge accounting, please refer to the relevant content in the notes to the financial statements in the Bank's 2024 Annual Report, which outlines the main accounting policies and estimates.

The Bank has established an interest rate risk measurement model aligned with the standardized measurement framework, which has been approved by the Board of Directors and is subject to regular assessment and validation. The internal measurement system (IMS) applies key model assumptions consistent with those used in the data disclosed in Table IRRBB1. When measuring changes in economic value, the Bank incorporates commercial margins in cash flow calculations and applies risk-free discount rates for the discount rate. A deposit retention ratio model is used to measure the distribution of stable deposits for non-maturity deposits, while an interest rate sensitivity model is applied to measure the distribution of core deposits. For fixed-rate loans and time deposits, the prepayment of historical loans and early deposit withdrawal rates are analyzed to forecast future trends. For banking book assets or liabilities where a single currency accounts for more than 5% of the balance, the Bank measures the risk separately. When aggregating different currencies, historical and expected interest rate correlations are considered.

In compliance with regulatory requirements, the Bank determines the maximum repricing maturity for non-maturity deposits using ten-year historical data. The average repricing period for retail deposits in trading accounts is no longer than 4.5 years, the average repricing period for retail deposits in non-trading accounts is no longer than 3.15 years, and the average repricing period for wholesale deposits is no longer than 2 years.

Interest Rate Risk in the Banking Book

The Bank adopts interest rate shock scenarios required by regulatory authorities, including six standardized interest rate shock scenarios, such as parallel upward shifts, parallel downward shifts, and shape changes of the yield curve. Based on historical market and asset-liability rate changes, combined with macroeconomic policies, market expectations, and other factors, the Bank constructs light, medium, and severe interest rate shocks as well as stress scenarios. In accordance with the principles of comprehensiveness, prudence, and foresight, the Bank has regularly conducted stress tests and applied the results to the formulation of management strategies and policies.

The Bank sets indicators such as the maximum change in economic value and changes in net interest margin, which are monitored and reported on a quarterly basis.

IRRBB1: Quantitative Information on Interest Rate Risk in the Banking Book

In RMB millions

	Economic value change[1]	Net interest income change[2]
Period	As at 31 December 2024	As at 31 December 2024
Parallel upward	524,034	36,009
Parallel downward	(661,098)	(409,069)
Steepening	390,016	
Flattening	(305,719)	
Short-term interest rate increase	(38,789)	
Short-term interest rate decrease	31,175	
Maximum value	**524,034**	**(409,069)**
Period		As at 31 December 2024
Tier 1 capital		**3,561,727**

Notes: (1) When measuring changes in economic value, the commercial margins are incorporated in cash flow calculations and the risk-free discount rate used is the government bond spot yield. For economic value changes, a positive value indicates a loss.

(2) The change in net interest income refers to the difference in future interest income over a consecutive 12-month period. In the parallel downward scenario, no consideration is given to a decrease in deposit rates.

(3) Since the end of the previous reporting period, there have been no significant changes in the relevant risk levels of the Bank.

(4) This table is based on the legal entity data.

Macroprudential Supervisory Measures

GSIB1: Assessment Indicators of G-SIBs

In RMB millions

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

For details on the assessment indicators of G-SIBs of the Group for the previous periods, please refer to the annual reports published by the Bank on the website of the Bank. The web link is as follows:

https://www.icbc-ltd.com/en/column/1438058343653851171.html

Leverage Ratio

LR1: Differences between Regulatory Leverage Ratio Items and Accounting Items

In RMB millions

		As at 31 December 2024
1	Total consolidated assets as per published financial statements	48,821,746
2	Consolidated adjustments for accounting purposes but outside the scope of regulatory consolidation	(343,671)
3	Adjustments for fiduciary assets	–
4	Adjustments for derivative financial instruments	339,714
5	Adjustments for securities financing transactions	26,695
6	Adjustments for off-balance sheet items	2,144,956
7	Adjustments for asset securitization transactions	–
8	Adjustments for unsettled financial assets	–
9	Adjustments for eligible cash pooling transactions	–
10	Adjustments for central bank reserves (if applicable)	–
11	Adjustments for prudent valuation adjustments and allowance for impairment losses	–
12	Other adjustments	(24,621)
13	**Balance of adjusted on- and off-balance sheet assets**	**50,964,819**

LR2: Leverage Ratio

In RMB millions, except for percentages

		As at 31 December 2024	As at 30 September 2024
BALANCE OF ON-BALANCE SHEET ASSETS			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions)	47,798,102	47,546,724
2	Less: Allowance for impairment losses	(883,321)	(901,752)
3	Less: Asset amounts deducted in determining Basel III tier 1 capital	(24,621)	(13,692)
4	**Balance of adjusted on-balance sheet assets (excluding derivatives and securities financing transactions)**	**46,890,160**	**46,631,280**
DERIVATIVE EXPOSURES			
5	Replacement cost associated with all derivatives (net of eligible cash variation margin, taking into account the impact of bilateral netting agreements)	227,350	102,522
6	Add-on amounts for potential future exposure associated with all derivatives	324,050	339,481
7	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
8	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions	–	–
9	Less: Exempted central counterparties leg of client-cleared trade exposures	–	–
10	Effective notional amount of written credit derivatives	10,675	12,255
11	Less: Adjusted effective notional deductions for written credit derivatives	–	–
12	**Total derivative exposures**	**562,075**	**454,258**
SECURITIES FINANCING TRANSACTION EXPOSURES			
13	Gross securities financing transaction assets (with no recognition of netting), after adjusting for sale accounting transactions	1,340,933	1,274,072
14	Less: Netted amounts of cash payables and cash receivables of gross securities financing transaction assets	–	–
15	Counterparty credit risk exposure for securities financing transaction assets	26,695	7,099
16	Agent transaction exposures	–	–
17	**Total securities financing transaction exposures**	**1,367,628**	**1,281,171**

LR2: Leverage Ratio (Continued)

In RMB millions, except for percentages

		As at 31 December 2024	As at 30 September 2024
OFF-BALANCE SHEET EXPOSURES			
18	Off-balance sheet exposures at gross national amount	8,550,499	8,475,257
19	Less: Adjustments for conversion to credit equivalent amounts	(6,383,266)	(6,372,389)
20	Less: Allowance for impairment losses	(22,277)	(21,882)
21	**Balance of adjusted off-balance sheet assets**	**2,144,956**	**2,080,986**
NET TIER 1 CAPITAL AND BALANCE OF ADJUSTED ON- AND OFF-BALANCE SHEET ASSETS			
22	Net tier 1 capital	3,949,453	3,889,547
23	Balance of adjusted on- and off-balance sheet assets	50,964,819	50,447,695
LEVERAGE RATIO			
24	Leverage ratio	7.75%	7.71%
24a	Leverage ratio a(1)	7.75%	7.71%
25	Minimum leverage ratio requirement	4.00%	4.00%
26	Applicable leverage buffers	0.75%	0.75%
DISCLOSURE OF AVERAGE VALUES			
27	Daily average balances of securities financing transactions for the quarter	1,539,849	1,011,189
27a	Quarter-end value of securities financing transactions	1,340,933	1,274,072
28	Balance of adjusted on- and off-balance sheet assets a(2)	51,163,735	50,184,812
28a	Balance of adjusted on- and off-balance sheet assets b(3)	51,163,735	50,184,812
29	Leverage ratio b(4)	7.72%	7.75%
29a	Leverage ratio c(5)	7.72%	7.75%

Notes: (1) Refers to the leverage ratio taking no account of temporary exemption of central bank reserves.

(2) Refers to the balance of adjusted on- and off-balance sheet assets taking into account temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions.

(3) Refers to the balance of adjusted on- and off-balance sheet assets taking no account of temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions.

(4) Refers to the leverage ratio taking into account temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions for the recent quarter.

(5) Refers to the leverage ratio taking no account of temporary exemption of central bank reserves and calculated by adopting the simple arithmetic average of daily balance of securities financing transactions for the recent quarter.

Liquidity Risk

LIQA: Liquidity Risk Management

Liquidity risk is the risk with which the Bank is unable to obtain adequate liquidity 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 course 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 realization, operating losses and risk associated with its affiliates.

Liquidity Risk Governance Framework

The Bank's liquidity risk management governance framework includes: a decision-making system composed of 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; a supervisory system composed of the Board of Supervisors, the Internal Audit Bureau, and the Internal Control & Compliance Department of the Head Office; and an execution system composed of the Asset & Liability Management Department of the Head Office, the leading management departments for on- and off-balance sheet businesses, the information technology departments, the operations management departments, and relevant departments of the branches. Each of these systems performs the corresponding functions of decision making, supervision and execution according to division of responsibilities

Liquidity Risk Management Strategy

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.

Liquidity Risk Measurement and Stress Testing

The Bank comprehensively utilizes various methods and tools such as liquidity indicator analysis, liquidity gap analysis, cash flow measurement and analysis, and stress testing to effectively identify, measure, monitor, and control liquidity risk. As at the end of 2024, the RMB liquidity ratio is 58.4%, and the NSFR is 128.16%; for the fourth quarter of 2024, the average daily liquidity coverage ratio is 140.25%.

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.

LIQ1: Liquidity Coverage Ratio

In RMB millions, except for percentages

		Fourth quarter of 2024	
		Total unweighted value	Total weighted value
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		8,690,185
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers	18,725,188	1,868,460
3	Of which: Stable deposits	64,455	2,387
4	Of which: Less stable deposits	18,660,733	1,866,073
5	Unsecured wholesale funding	18,308,735	6,556,453
6	Of which: Operational deposits (excluding those generated from correspondent banking activities)	8,980,234	2,187,339
7	Of which: Non-operational deposits (all counterparties)	9,179,643	4,220,256
8	Of which: Unsecured debt	148,858	148,858
9	Secured funding		14,965
10	Additional requirements	4,370,405	2,149,209
11	Of which: Outflows related to derivative exposures and other collateral requirements	1,955,260	1,955,260
12	Of which: Outflows related to loss of funding on debt products	–	–
13	Of which: Credit and liquidity facilities	2,415,145	193,949
14	Other contractual funding obligations	100,033	99,969
15	Other contingent funding obligations	7,502,955	110,202
16	Total cash outflows		10,799,258
CASH INFLOWS			
17	Secured lending (including reverse repos and securities borrowing)	1,333,060	1,076,218
18	Inflows from fully performing exposures	2,622,202	1,613,606
19	Other cash inflows	1,916,350	1,911,405
20	Total cash inflows	5,871,612	4,601,229
			Total adjusted value
21	Total HQLA		8,690,185
22	Total net cash outflows		6,198,029
23	Liquidity coverage ratio (%)		140.25

Note: Data of the above table are the simple arithmetic average of the 92 calendar days' figures of the recent quarter.

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.

LIQ2: Net Stable Funding Ratio (NSFR)

In RMB millions, except for percentages

		As at 31 December 2024				
		Unweighted value				
		No maturity	<6 months	6 months to < 1 year	≥1 year	Weighted value
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital	4,371,989	–	–	542,917	4,914,906
2	Regulatory capital	4,371,989	–	–	542,917	4,914,906
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers	7,760,660	12,130,108	12,664	4,150	17,923,628
5	Stable deposits	38,137	80,777	8,850	3,252	124,628
6	Less stable deposits	7,722,523	12,049,331	3,814	898	17,799,000
7	Wholesale funding	8,563,387	11,844,420	868,330	127,256	8,954,821
8	Operational deposits	8,187,286	335,665	5,231	1,397	4,265,489
9	Other wholesale funding	376,101	11,508,755	863,099	125,859	4,689,332
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities	6,444	1,044,960	219,008	1,119,047	1,060,115
12	NSFR derivative liabilities				174,880	
13	All other liabilities and equity not included in the above categories	6,444	1,044,960	219,008	944,167	1,060,115
14	Total ASF					32,853,470
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total NSFR high-quality liquid assets (HQLA)					1,457,260
16	Deposits held at other financial institutions for operational purposes	236,904	56,554	4,770	9,494	158,908
17	Loans and securities	1,299	7,146,420	3,728,765	21,221,409	22,703,351
18	Loans to financial institutions secured by Level 1 HQLA	–	732,834	3,008	22,277	133,090
19	Loans to financial institutions secured by non-Level 1 HQLA and unsecured loans to financial institutions	–	1,228,227	387,175	143,476	521,298
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs)	–	4,789,602	2,966,203	13,762,841	15,476,462

LIQ2: Net Stable Funding Ratio (NSFR) (Continued)

In RMB millions, except for percentages

		As at 31 December 2024				
		Unweighted value				
		No maturity	<6 months	6 months to < 1 year	≥1 year	Weighted value
21	Of which: With a risk weight of less than or equal to 35%	–	2,087,592	62,362	348,678	1,283,490
22	Residential mortgages	–	2,468	3,902	6,114,275	5,184,750
23	Of which: With a risk weight of less than or equal to 35%	–	1,324	1,266	78,317	52,297
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,299	393,289	368,477	1,178,540	1,387,751
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets	321,365	488,100	31,921	478,367	1,059,386
27	Physical traded commodities (including gold)	29,958				25,464
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties				60,707	51,601
29	NSFR derivative assets				194,872	19,992
30	NSFR derivative liabilities with additional variation margin posted				189,935[(1)]	37,987
31	All other assets not included in the above categories	291,407	488,100	31,921	222,788	924,342
32	Off-balance sheet items				10,379,995	256,358
33	Total RSF					25,635,263
34	NSFR (%)					128.16

Note: (1) This item is filled with the amount of derivative liabilities, that is, the amount of NSFR derivative liabilities before deducting the variable margin, without distinguishing the maturity; it is not included in the item 26 "Other assets".

LIQ2: Net Stable Funding Ratio (NSFR) (Continued)

In RMB millions, except for percentages

		As at 30 September 2024				
		Unweighted value				
		No maturity	<6 months	6 months to < 1 year	≥1 year	Weighted value
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	Capital	4,275,845	–	–	592,802	4,868,647
2	Regulatory capital	4,275,845	–	–	592,802	4,868,647
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers	7,396,099	11,726,925	14,479	4,731	17,233,924
5	Stable deposits	34,630	65,815	8,378	3,055	106,436
6	Less stable deposits	7,361,469	11,661,110	6,101	1,676	17,127,488
7	Wholesale funding	8,772,644	12,069,020	793,899	132,416	9,424,994
8	Operational deposits	8,385,806	602,074	5,430	1,405	4,498,060
9	Other wholesale funding	386,838	11,466,946	788,469	131,011	4,926,934
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities	6,551	1,194,376	155,217	1,011,501	1,028,343
12	NSFR derivative liabilities				67,318	
13	All other liabilities and equity not included in the above categories	6,551	1,194,376	155,217	944,183	1,028,343
14	Total ASF					32,555,908
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	Total NSFR high-quality liquid assets (HQLA)					1,332,847
16	Deposits held at other financial institutions for operational purposes	370,235	49,811	4,433	8,112	220,629
17	Loans and securities	1,742	6,898,857	4,217,891	20,944,491	22,513,427
18	Loans to financial institutions secured by Level 1 HQLA	–	644,580	7,463	19,344	119,206
19	Loans to financial institutions secured by non-Level 1 HQLA and unsecured loans to financial institutions	–	1,519,987	321,422	145,325	534,034
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs)	–	4,168,901	3,678,111	13,415,471	15,224,919
21	Of which: With a risk weight of less than or equal to 35%	–	1,256,973	692,713	331,115	1,177,010
22	Residential mortgages	–	2,517	3,976	6,117,105	5,187,669

LIQ2: Net Stable Funding Ratio (NSFR) (Continued)

In RMB millions, except for percentages

		As at 30 September 2024				
		Unweighted value				Weighted value
		No maturity	<6 months	6 months to < 1 year	≥1 year	
23	Of which: With a risk weight of less than or equal to 35%	–	1,238	1,132	76,075	50,732
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,742	562,872	206,919	1,247,246	1,447,599
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets	301,529	654,551	27,774	281,373	813,848
27	Physical traded commodities (including gold)	21,456				18,238
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties				128,530	109,251
29	NSFR derivative assets				77,276	9,958
30	NSFR derivative liabilities with additional variation margin posted				79,317(1)	15,863
31	All other assets not included in the above categories	280,073	654,551	27,774	75,567	660,538
32	Off-balance sheet items				9,796,512	228,681
33	Total RSF					25,109,432
34	NSFR (%)					129.66

Note: (1) This item is filled with the amount of derivative liabilities, that is, the amount of NSFR derivative liabilities before deducting the variable margin, without distinguishing the maturity; it is not included in the item 26 "Other assets".

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. At the end of the fourth quarter of 2024, the NSFR 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.