交通銀行
BANK OF COMMUNICATIONS

交通銀行股份有限公司
Bank of Communications Co., Ltd.

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

(Stock Code: 03328)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "**Board of Directors**") of Bank of Communications Co., Ltd. (the "**Bank**") is pleased to announce the audited consolidated financial information (the "**Annual Results**") of the Bank and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), which was prepared in accordance with the *International Financial Reporting Standards* (the "**IFRSs**") issued by the International Accounting Standards Board. The Board of Directors and the Audit Committee of the Board of Directors have reviewed and confirmed the Annual Results.

I. CORPORATE INFORMATION

	Stock name	Stock code	Stock exchange
A Share	Bank of Communications	601328	Shanghai Stock Exchange
H Share	BANKCOMM	03328	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	BOCOM PREF1	360021	Shanghai Stock Exchange

Secretary of the Board of Directors and Company Secretary

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II. KEY FINANCIAL DATA AND FINANCIAL INDICATORS

As at the end of the Reporting Period, key financial data and financial indicators prepared by the Group under IFRSs are as follows:

Items	**2024**	2023	2022	2021	2020
					(in millions of RMB)
Full year results					
Net interest income	**169,832**	164,123	169,882	161,693	153,336
Net fee and commission income	**36,914**	43,004	44,855	47,573	45,086
Net operating income	**260,269**	258,014	257,346	269,748	246,724
Credit impairment losses	**52,567**	56,908	60,411	66,371	62,059
Operating expenses	**77,687**	77,369	76,151	74,545	66,004
Profit before tax	**103,475**	99,698	98,115	93,959	86,425
Net profit (attributable to shareholders of the Bank)	**93,586**	92,728	92,102	87,581	78,274
As at the end of the year					*(in millions of RMB)*
Total assets	**14,900,717**	14,060,472	12,991,571	11,665,757	10,697,616
Loans and advances to customers[1]	**8,555,122**	7,957,085	7,294,965	6,560,400	5,848,424
Total liabilities	**13,745,120**	12,961,022	11,958,049	10,688,521	9,818,988
Deposits from customers[1]	**8,800,335**	8,551,215	7,949,072	7,039,777	6,607,330
Shareholders' equity (attributable to shareholders of the Bank)	**1,144,306**	1,088,030	1,022,024	964,647	866,607
Per share					*(in RMB)*
Earnings per share (attributable to the ordinary shareholders of the Bank)[2]	**1.16**	1.15	1.14	1.10	0.99
Net assets per share (attributable to the ordinary shareholders of the Bank)[3]	**13.06**	12.30	11.41	10.64	9.87

Items	2024	2023	2022	2021	2020
					(in millions of RMB)
Key financial ratios					(%)
Return on average assets	**0.65**	0.69	0.75	0.80	0.77
Return on weighted-average shareholders' equity[2]	**9.08**	9.68	10.34	10.76	10.35
Net interest margin[4]	**1.27**	1.28	1.48	1.56	1.57
Cost-to-income ratio[5]	**29.90**	30.04	29.65	27.67	26.81
Non-performing loan ratio[6]	**1.31**	1.33	1.35	1.48	1.67
Provision coverage ratio	**201.94**	195.21	180.68	166.50	143.87
Capital adequacy indicators			*(in millions of RMB unless otherwise stated)*		
Net capital[7]	**1,508,812**	1,351,116	1,250,317	1,139,957	1,021,246
Including: Net core tier-1 capital[7]	**964,568**	905,394	840,164	783,877	727,611
Net other tier-1 capital[7]	**176,078**	176,289	176,480	176,348	134,610
Net tier-2 capital[7]	**368,166**	269,433	233,673	179,732	159,025
Risk-weighted assets[7]	**9,416,873**	8,850,786	8,350,074	7,379,912	6,695,462
Capital adequacy ratio (%)[7]	**16.02**	15.27	14.97	15.45	15.25
Tier-1 capital adequacy ratio (%)[7]	**12.11**	12.22	12.18	13.01	12.88
Core tier-1 capital adequacy ratio (%)[7]	**10.24**	10.23	10.06	10.62	10.87

Notes:

1. Loans and advances to customers do not include interest receivable of related loans and advances. Deposits from customers include interest payable of related deposits.

2. Calculated pursuant to the requirements of Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the China Securities Regulatory Commission (the "**CSRC**").

3. Refer to shareholder's equity attributable to the ordinary shareholders of the Bank after the deduction of other equity instruments against the total issued ordinary shares as at the end of the period.

4. Represented the ratio of net interest income to total average interest-bearing assets.

5. Calculated pursuant to China Accounting Standards, as business and management fees divided by operating income, which is consistent with the financial report prepared under China Accounting Standards.

6. Calculated pursuant to regulatory standards.

7. Calculated pursuant to the Administrative Measures for the Capital of Commercial Banks and its relevant regulations by the National Financial Regulatory Administration ("**NFRA**"), the calculation scope includes all domestic and overseas branches of the Group and subsidiaries of financial institutions (excluding insurance companies).

At the end of the Reporting Period, the Group's capital adequacy ratio and leverage ratio met regulatory requirements. For more information on the measurement of capital and leverage ratio, please refer to the 2024 Capital Management Pillar III Information Disclosure Report published by the Bank on its official website.

III. CHANGES IN SHARES AND SHAREHOLDERS

(I) Changes in Ordinary Shares

As at the end of the Reporting Period, the Bank issued a total of 74,262,726,645 ordinary shares including 39,250,864,015 A shares and 35,011,862,630 H shares, which accounted for 52.85% and 47.15%, respectively. As at the end of the Reporting Period, the Bank had 261,229 ordinary shareholders, including 231,907 for A shares and 29,322 for H Shares. On 28 February 2025, the total number of ordinary shareholders of the Bank was 274,225, including 245,103 for A shares and 29,122 for H Shares. All the ordinary shares issued by the Bank are not subject to sales restrictions.

1. Shareholdings of Top 10 Ordinary Shareholders as at the end of the Reporting Period[1]

Name of shareholders (Full name)	Increase or decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Nature of shareholders
The Ministry of Finance of the People's Republic of China	–	13,178,424,446	17.75	A Share	Nil	Government
	–	4,553,999,999	6.13	H Share	Nil	
The Hongkong and Shanghai Banking Corporation Limited[2,4]	(19,300)	0	0.00	A Share	Nil	Foreign legal entity
	–	14,135,636,613	19.03	H Share	Nil	
The National Council for Social Security Fund [3,4]	–	3,105,155,568	4.18	A Share	Nil	Government
	–	8,433,333,332	11.36	H Share	Nil	
Hong Kong Securities Clearing Company Nominees Limited [4,5]	7,262,721	7,718,723,394	10.39	H Share	Unknown	Foreign legal entity
China Securities Finance Corporation Limited	–	1,891,651,202	2.55	A Share	Nil	State-owned legal entity
Hong Kong Securities Clearing Company Limited[5]	402,128,319	1,448,223,371	1.95	A Share	Nil	Foreign legal entity
Capital Airports Holdings Company Limited	–	1,246,591,087	1.68	A Share	Nil	State-owned legal entity
Shanghai Haiyan Investment Management Co., Ltd.[5]	–	808,145,417	1.09	A Share	Nil	State-owned legal entity
Yunnan Hehe (Group) Co., Ltd.[5]	–	745,305,404	1.00	A Share	Nil	State-owned legal entity
FAW Equity Investment (Tianjin) Co., Ltd.	–	663,941,711	0.89	A Share	Nil	State-owned legal entity

Notes:

1. The relevant data and information are based on the Bank's register of members at the Share Registrar and Transfer Office and the information provided by shareholders to the Bank.

2. According to the Bank's register of members, the Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") held 13,886,417,698 H shares of the Bank. HSBC beneficially held 249,218,915 more H shares than shown on the Bank's register of members. The discrepancy was due to a purchase of H shares by HSBC from the secondary market in 2007 and thereafter receiving bonus shares issued by the Bank and participating in the rights issue of the Bank. Those extra shares have been registered under Hong Kong Securities Clearing Company Nominees Limited ("**HKSCC Nominees Limited**").

3. Including the 1,970,269,383 A shares of the Bank held by the Sixth Transfer Account for State-owned Capital of The National Council for Social Security Fund ("**SSF**"). Other than the above shareholdings, the SSF held additional 632,052,295 H shares, which were indirectly held by certain asset managers (including Hong Kong Stock Connect). As at the end of the Reporting Period, the SSF held a total of 12,170,541,195 A shares and H shares of the Bank, representing 16.39% of the Bank's total ordinary shares issued.

4. HKSCC Nominees Limited held the H shares of the Bank as a nominee. The aggregate number of shares held by HKSCC Nominees Limited represents the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period. The data did not include 249,218,915 and 7,027,777,777 H shares indirectly held by HSBC and SSF, respectively, which were registered under HKSCC Nominees Limited. The data did not include 13,886,417,698 and 1,405,555,555 H shares of the Bank directly held by the aforementioned two shareholders, respectively as well, which were registered in the Bank's register of members.

5. Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. are parties acting in concert as defined under the Provisional Measures on Shareholdings Administration of Commercial Banks (China Banking Regulatory Commission Order No. 1 of 2018). 7 subordinate enterprises of China National Tobacco Corporation including Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. authorised and entrusted China National Tobacco Corporation to present at the Shareholders' General Meeting of the Bank and to exercise the voting rights on their behalf. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Furthermore, the Bank is not aware of the existence of any related relationship among the other top 10 shareholders, or whether they are parties acting in concert as defined in the Provisional Measures on Shareholdings Administration of Commercial Banks.

6. Except that the situation of HKSCC Nominees Limited. is unknown, the top 10 shareholders of the Bank did not participate in margin trading and refinancing business.

2. *Substantial Shareholders and Holders of Interest or Short Positions Required to be Disclosed under Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO")*

As at the end of the Reporting Period, to the knowledge of the directors, supervisors and chief executives of the Bank, the substantial shareholders and other persons (excluding the directors, supervisors and chief executives of the Bank) who had interests or short positions in the shares or underlying shares of the Bank as recorded in the register required to be kept pursuant to Section 336 of the SFO are as follows:

Name of substantial shareholders	Capacity	Number of A shares	Nature of interest[1]	Percentage of total issued A shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People's Republic of China	Beneficial owner	13,178,424,446[2]	Long position	33.57	17.75
The National Council for Social Security Fund	Beneficial owner	3,105,155,568[4]	Long position	7.91	4.18

Name of substantial shareholders	Capacity	Number of H shares	Nature of interest[1]	Percentage of total issued H shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People's Republic of China	Beneficial owner	4,553,999,999[2]	Long position	13.01	6.13
HSBC Holdings plc	Interests of controlled corporation	14,135,636,613[3]	Long position	40.37	19.03
The National Council for Social Security Fund	Beneficial owner	9,065,385,627[4]	Long position	25.89	12.21

Notes:

1. Long positions held other than through equity derivatives.

2. To the knowledge of the Bank, as at the end of the Reporting Period, Ministry of Finance of the People's Republic of China ("**Ministry of Finance**") held 4,553,999,999 H shares and 13,178,424,446 A shares of the Bank, respectively representing 6.13% and 17.75% of the total ordinary shares issued by the Bank.

3. HSBC Holdings plc wholly owns HSBC Asia Holdings Limited, which wholly owns HSBC. As at the end of the Reporting Period, HSBC beneficially held 14,135,636,613 H shares of the Bank. Pursuant to the SFO, HSBC Holdings plc was deemed to own the interests associated with the total of 14,135,636,613 H shares held by HSBC.

4. To the knowledge of the Bank, as at the end of the Reporting Period, the SSF held a total of 9,065,385,627 H shares and 3,105,155,568 A shares (please refer to the details in Shareholdings of Top 10 Ordinary Shareholders and relevant notes) of the Bank, respectively representing 12.21% and 4.18% of the Bank's total ordinary shares issued.

Save as disclosed above, as at the end of the Reporting Period, no other person (excluding the directors, supervisors and chief executives of the Bank) or corporation were recorded in the register required to be kept under Section 336 of the SFO as holding any interests or short positions in the shares or underlying shares of the Bank that would fall to be disclosed to the Bank and The Stock Exchange of Hong Kong Ltd. ("**Hong Kong Stock Exchange**") pursuant to Divisions 2 and 3 of Part XV of the SFO.

(II) Information of Preference Shares

At the end of the Reporting Period, the Bank had 65 preferred shareholders. On February 28, 2025, the Bank had 64 preferred shareholders.

1. *Top 10 Preference Shareholders and Their Shareholdings as at the end of the Reporting Period*

Name of shareholders	Increase or Decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Nature of shareholders
China Mobile Communications Group Co., Ltd.	0	100,000,000	22.22	Domestic preference share	Nil	State-owned legal entity
HwaBao Trust Co., Ltd. – HwaBao Trust – Baofu Investment No. 1 Collective Capital Trust plan	(9,760,000)	39,150,000	8.70	Domestic preference share	Nil	Others
AVIC Trust Co., Ltd. – AVIC Trust Tianji Win-win No. 2 Securities Investment Collective Capital Trust Plan	0	20,000,000	4.44	Domestic preference share	Nil	Others
CCB Trust Co., Ltd. – CCB Trust – Jianyue Changhong No. 1 Single Capital Trust	20,000,000	20,000,000	4.44	Domestic preference share	Nil	Others
Ping An Life Insurance Company of China, Ltd. – Self-owned fund	0	18,000,000	4.00	Domestic preference share	Nil	Others
China National Tobacco Corporation – Henan Branch	0	15,000,000	3.33	Domestic preference share	Nil	State-owned legal entity
China Life Property and Casualty Insurance Company Limited – Traditional – Common insurance product	0	15,000,000	3.33	Domestic preference share	Nil	Others
Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Common insurance product	0	13,800,000	3.07	Domestic preference share	Nil	Others
CSCF – China Merchants Bank – CSCF – Preferred No.1 Collective Asset Management Plan	10,585,568	10,585,568	2.35	Domestic preference share	Nil	Others
Postal Savings Bank of China	0	10,000,000	2.22	Domestic preference share	Nil	State-owned legal entity
China National Tobacco Corporation – Shandong Branch	0	10,000,000	2.22	Domestic preference share	Nil	State-owned legal entity
China National Tobacco Corporation – Guangdong Branch	0	10,000,000	2.22	Domestic preference share	Nil	State-owned legal entity
China National Tobacco Corporation – Sichuan Branch	0	10,000,000	2.22	Domestic preference share	Nil	State-owned legal entity
China Pacific Property Insurance Co., Ltd. – Traditional – Common insurance product – 013C-CT001 *Hu*	0	10,000,000	2.22	Domestic preference share	Nil	Others
Chang Jiang Pension－Bank of China – China Pacific Life Insurance Co., Ltd.	0	10,000,000	2.22	Domestic preference share	Nil	Others

Notes:

1. Shareholdings of preference shareholders are summarised according to the Bank's register members of preference shareholders.

2. "Percentage" refers to the percentage of number of preference shares held by preference shareholders in the total number of preference shares.

3. According to the Administrative Measures on the Connected Transactions of Banking and Insurance Institutions issued by the former China Banking and Insurance Regulation Commission ("**the former CBIRC**"), to the knowledge of the Bank, China National Tobacco Corporation Henan Branch, China National Tobacco Corporation Shandong Branch, China National Tobacco Corporation Guangdong Branch and China National Tobacco Corporation Sichuan Branch are related with Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd., which are among top 10 ordinary shareholders of the Bank.

4. The Bank is not aware of the existence of any related relationship among the top 10 preference shareholders or any relationship between the above shareholders and top 10 ordinary shareholders, or whether they are parties acting in concert.

2. *Dividends Distribution of Preference Shares*

The Bank pays dividends on preference shares in cash, on an annual basis. In the event that the Bank resolves to cancel part or all of the preference shares dividends, any shortfall in dividends not distributed to preference shareholders for the period will not accumulate for future interest periods. After receiving dividends at the agreed-upon dividend rate, preference shareholders no longer participate in the distribution of remaining profits with ordinary shareholders.

In accordance with the resolution and authorisation of the Shareholders' General Meeting, the 13th meeting of the 10th Session of Board of Directors of the Bank was held on 26 April 2024, at which the proposal for the dividend distribution of the BOCOM PREF1 was considered and approved. The dividend on BOCOM PREF1 was calculated at the nominal dividend yield of 4.07% and amounted to 1,831,500,000 in cash, which will be distributed on 9 September 2024. Please refer to the announcement published by the Bank on 30 August 2024 for details of dividend distribution of preference shares.

3. *Other information of Preference Shares*

In accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, International Financial Reporting Standards No. 9 – Financial Instruments, International Accounting Standards No. 32 – Financial Instruments: Presentation* and other provisions of the Ministry of Finance, as well as the main provisions of the Bank's preferred shares, the Bank's preferred shares are accounted for as equity instruments.

During the Reporting Period, the Bank did not recover the voting rights of preferred shares.

(III) Issuance, Listing, Purchase or Sale and Redemption/Payment of Securities

During the Reporting Period, the Bank did not issue any ordinary share or convertible bond, or any corporate bond that was required to be disclosed in accordance with the Standards on the Content and Format of Information Disclosure of Publicly Listed Company No.2 – Content and Format of the Annual Report (2021 Revision) and the Administrative Measures for Information Disclosure of Enterprise Credit Bonds. During the Reporting Period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Bank. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

The Bank did not issue any preference shares during the past three years. During the Reporting Period, there was no redemption or conversion of preference shares of the Bank.

The Bank has no employee stock.

IV. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Financial Statement Analysis

During the Reporting Period, the Group adhered to the general tone of seeking progress while maintaining stability, deepened the structural reform of the financial supply side, “five priorities” of finance in detail, earnestly fulfilled the responsibilities of the main force and ballast, and kept the overall business operation stable.

The scale has steadily increased. As at the end of the Reporting Period, the total assets of the Group increased by 5.98% over the end of the previous year to 14.90 trillion, of which, the Group’s balance of loans and advances to customers increased by 598.037 billion or 7.52% over the end of the previous year to 8.56 trillion; balance of deposits from customers increased by 249.120 billion or 2.91% over the end of the previous year to 8.80 trillion.

Operating efficiency remains resilient. During the Reporting Period, the Group’s net profit (attributable to shareholders of the parent company) amounted to 93.586 billion, representing a year-on-year increase of 0.93%. The Group’s net operating income amounted to 260.269 billion representing a year-on-year increase of 0.87%,

Asset quality continues to consolidate. As at the end of the Reporting Period, non-performing loan ratio of the Group was 1.31%, decreased by 0.02 percentage point over the end of the previous year. Provision coverage ratio was 201.94%, representing an increase of 6.73 percentage points over the end of the previous year.

1. *Analysis on Key Income Statement Items*

(1) Profit before tax

During the Reporting Period, the Group's profit before tax increased by 3.777 billion on a year-on-year basis, representing an increase of 3.79% to 103.475 billion. The profit growth was mainly due to the year-on-year increase in net interest income and the year-on-year decrease in credit impairment losses. During the Reporting Period, the net interest income increased by 3.48% year on year, and the credit impairment loss decreased by 7.63% year on year.

The selected items from the income statement of the Group during the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2024	2023	Increase/ (decrease) (%)
Net interest income	**169,832**	164,123	3.48
Net non-interest income	**90,437**	93,891	(3.68)
Including: Net fee and commission income	**36,914**	43,004	(14.16)
Net operating income	**260,269**	258,014	0.87
Credit impairment losses	**(52,567)**	(56,908)	(7.63)
Impairment losses on other assets	**(1,640)**	(1,062)	54.43
Other operating expenses	**(102,587)**	(100,346)	2.23
Including: Operating expenses	**(77,687)**	(77,369)	0.41
Profit before tax	**103,475**	99,698	3.79
Income tax	**(9,246)**	(6,446)	43.44
Net profit	**94,229**	93,252	1.05
Net profit attributable to shareholders of the parent company	**93,586**	92,728	0.93

The breakdown of the net operating income of the Group during the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2024		
	Amount	**Proportion (%)**	**Increase/ (decrease) (%)**
Net interest income	**169,832**	**65.25**	**3.48**
Net fee and commission income	**36,914**	**14.18**	**(14.16)**
Net gains arising from trading activities	**21,919**	**8.42**	**(5.62)**
Net gains arising from financial investments	**1,949**	**0.75**	**168.09**
Net gains on investments in associates and joint ventures	**514**	**0.20**	**44.38**
Other operating income	**29,141**	**11.20**	**9.64**
Total net operating incomes	**260,269**	**100.00**	**0.87**

(2) *Net interest income*

During the Reporting Period, the Group's net interest income increased by 5.709 billion on a year-on-year basis to 169.832 billion, accounting for 65.25% of the net operating income, which was a major component of the Group's income. During the Reporting Period, the Group strengthened portfolio management of assets and liabilities, optimised assets business structure, and improved cost control of liabilities. The year-on-year decrease of interest expense was greater than that of interest income, and the overall net interest income rose year-on-year.

The average balances, associated interest income and expenses and average rate of return or average rate of cost of the Group's interest-bearing assets and interest-bearing liabilities during the periods indicated are shown below:

(in millions of RMB unless otherwise stated)

	2024			2023		
	Average Balance	**Interest income (expense)**	**Average rate of return/ (cost) (%)**	Average Balance	Interest income (expense)	Average rate of return/ (cost) (%)
Assets						
Cash and balances with central banks	**739,813**	**11,530**	**1.56**	797,412	12,393	1.55
Due from and placements with banks and other financial institutions	**973,324**	**30,024**	**3.08**	961,887	29,671	3.08
Loans and advances to customers	**8,264,873**	**298,120**	**3.61**	7,741,769	306,150	3.95
Investment securities	**3,427,644**	**112,038**	**3.27**	3,324,985	111,647	3.36
Interest-bearing assets	**13,405,654**	**451,712**	**3.37**	12,826,053	459,861	3.59
Non-interest-bearing assets	**985,272**			1,046,013		
Total assets	**14,390,926**			13,872,066		
Liabilities and Shareholders' Equity						
Deposits from customers	**8,387,328**	**178,111**	**2.12**	8,277,139	192,982	2.33
Due to and placements from banks and other financial institutions	**2,355,170**	**56,063**	**2.38**	2,177,034	55,150	2.53
Debt securities and others	**1,747,045**	**47,706**	**2.73**	1,637,098	47,606	2.91
Interest-bearing liabilities	**12,489,543**	**281,880**	**2.26**	12,091,271	295,738	2.45
Share-holders' equity and non-interest-bearing liabilities	**1,901,383**			1,780,795		
Total liabilities and shareholders' equity	**14,390,926**			13,872,066		
Net interest income		**169,832**			164,123	
Net interest spread[1]			**1.11**			1.14
Net interest margin[2]			**1.27**			1.28

Notes:

1. Represented the difference between the average rate of return on total average interest-bearing assets and the average rate of cost of total average interest-bearing liabilities.

2. Represented the ratio of net interest income to total average interest-bearing assets.

During the Reporting Period, the Group's net interest income increased by 3.48% on a year-on-year basis. The net interest spread was 1.11%, representing a decrease of 3 basis points on a year-on-year basis. The net interest margin was 1.27%, representing a decrease of 1 basis point on a year-on-year basis.

The net interest spread and net interest margin for each quarter during the periods indicated are shown below:

	2024			
(%)	**January – March**	**April – June**	**July – September**	**October – December**
Net interest spread	**1.10**	**1.14**	**1.11**	**1.10**
Net interest margin	**1.27**	**1.30**	**1.26**	**1.24**

The table below illustrates the impact of changes in scales and interest rates on the Group's interest income and interest expenses. The changes in scales and interest rates are based on the changes in average balance and the changes on interest rates of interest-bearing assets and interest-bearing liabilities during the periods indicated.

(in millions of RMB)

	Comparison between 2024 and 2023 Increase/(Decrease) due to		
	Amount	**Interest rate**	**Net increase/ (decrease)**
Interest-bearing assets			
Cash and balances with central banks	(893)	30	(863)
Due from and placements with banks and other financial institutions	353	–	353
Loans and advances to customers	20,663	(28,693)	(8,030)
Investment securities	3,449	(3,058)	391
Changes in interest income	23,572	(31,721)	(8,149)
Interest-bearing liabilities			
Deposits from customers	2,567	(17,438)	(14,871)
Due to and placements from banks and other financial institutions	4,507	(3,594)	913
Debt securities and others	3,199	(3,099)	100
Changes in interest expenses	10,273	(24,131)	(13,858)
Changes in net interest income	13,299	(7,590)	5,709

During the Reporting Period, the Group's net interest income increased by 5.709 billion on a year-on-year basis. Within this total, changes in the average balances of assets and liabilities increased net interest income by 13.299 billion, while changes in the average rate of return and average rate of cost decreased net interest income by 7.590 billion.

① Interest Income

During the Reporting Period, the Group's interest income decreased by 8.149 billion or 1.77% on a year-on-year basis to 451.712 billion, of which interest income from loans and advances to customers, investment securities and cash and balances with central banks accounted for 66.00%, 24.80% and 2.55% of total interest income, respectively.

A. Interest income from loans and advances to customers

Interest income from loans and advances to customers was the largest component of the Group's interest income. During the Reporting Period, interest income from loans and advances to customers decreased by 8.030 billion or 2.62% on a year-on-year basis to 298.120 billion, which was mainly due to the year-on-year decrease of 34 basis points in the annualised average rate of return of loans and advances to customers.

Analysis of the average income of loans and advances to customers by business type and term structure

(in millions of RMB unless otherwise stated)

	2024			2023		
	Average balance	**Interest income**	**Average rate of return (%)**	Average Balance	Interest income	Average rate of return (%)
Corporate loans	**5,425,964**	**192,678**	**3.55**	5,087,425	195,477	3.84
– Short-term loans	**1,558,124**	**49,461**	**3.17**	1,555,006	51,896	3.34
– Medium and long-term loans	**3,867,840**	**143,217**	**3.70**	3,532,419	143,581	4.06
Personal loans	**2,549,988**	**101,707**	**3.99**	2,378,156	106,798	4.49
– Short-term loans	**606,241**	**26,692**	**4.40**	597,220	28,096	4.70
– Medium and long-term loans	**1,943,747**	**75,015**	**3.86**	1,780,936	78,702	4.42
Discounted bills	**288,921**	**3,735**	**1.29**	276,188	3,875	1.40
Total loans and advances to customers	**8,264,873**	**298,120**	**3.61**	7,741,769	306,150	3.95

B. Interest income from investment securities

During the Reporting Period, interest income from investment securities increased by 0.391 billion or 0.35% on a year-on-year basis to 112.038 billion, which was mainly due to the year-on-year increase by 102.659 billion or 3.09% in the average balance of investment securities.

C. Interest income from cash and balances with central banks

The cash and balances with central banks mainly included balances in statutory reserves and excess reserves. During the Reporting Period, interest income from cash and balances with central banks decreased by 863 million or 6.96% on a year-on-year basis to 11.530 billion, which was mainly due to the year-on-year decrease by 57.599 billion or 7.22% in the average balance of funds due from and loans to banks.

D. Interest income from balances due from and placements with banks and other financial institutions

During the Reporting Period, the interest income from balances due from and placements with banks and other financial institutions increased by 0.353 billion or 1.19% on a year-on-year basis to 30.024 billion, which was mainly due to an increase by 11.437 billion or 1.19% on the year-on-year in the average balance of funds due from and loans to banks and other financial institutions.

② Interest expenses

During the Reporting Period, the Group's interest expenses decreased by 13.858 billion or 4.69% on a year-on-year basis to 281.880 billion.

A. Interest expenses on deposits from customers

Deposits form customers is the Group's primary funding source. During the Reporting Period, interest expenses on deposits from customers decreased by 14.871 billion or 7.71% on a year-on-year basis to 178.111 billion, accounting for 63.19% of total interest expenses.

Analysis of the average cost of deposits from customers by product type

(in millions of RMB unless otherwise stated)

	2024			2023		
	Average Balance	**Interest expense**	**Average rate of cost (%)**	Average Balance	Interest expense	Average rate of cost (%)
Corporate deposits	**4,863,879**	**101,250**	**2.08**	5,060,932	116,680	2.31
– Demand deposits	**1,852,363**	**17,534**	**0.95**	1,951,091	21,619	1.11
– Time deposits	**3,011,516**	**83,716**	**2.78**	3,109,841	95,061	3.06
Personal deposits	**3,523,449**	**76,861**	**2.18**	3,216,207	76,302	2.37
– Demand deposits	**861,231**	**1,623**	**0.19**	819,659	1,947	0.24
– Time deposits	**2,662,218**	**75,238**	**2.83**	2,396,548	74,355	3.10
Total deposits from customers	**8,387,328**	**178,111**	**2.12**	8,277,139	192,982	2.33

B. Interest expenses on balances due to and placements from banks and other financial institutions

During the Reporting Period, interest expenses on balances due to and placements from banks and other financial institutions increased by 0.913 billion or 1.66% on a year-on-year basis to 56.063 billion, which was mainly due to a year-on-year increase by 178.136 billion or 8.18% in the average rate of cost of balances due to and placements from banks and other financial institutions.

C. Interest expenses on debt securities issued and other interest-bearing liabilities

During the Reporting Period, interest expenses on debt securities issued and other interest-bearing liabilities increased by 0.100 billion or 0.21% on a year-on-year basis to 47.706 billion, which was mainly due to a year-on-year increase by 109.947 billion or 6.72% in the average balance of debt securities issued and others.

(3) Net fee and commission income

The net fee and commission income is an important part of the Group's net operating income. During the Reporting Period, the Group's net fee and commission income decreased by 6.090 billion or 14.16% on a year-on-year basis to 36.914 billion, among which the bank card revenues decreased by 3.936 billion or 20.98% on a year-on-year basis due to residents' insufficient willingness to consume and active optimization of customer structure, and Agency services revenues decreased by 1.772 billion or 33.60% on a year-on-year basis due to policy factors of fee rate reduction.

The breakdown of the Group's net fee and commission income for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2024	2023	Increase/ (decrease) (%)
Bank cards	**14,826**	18,762	(20.98)
Wealth management business	**7,764**	7,808	(0.56)
Custody and other fiduciary businesses	**7,667**	8,004	(4.21)
Agency services	**3,502**	5,274	(33.60)
Investment banking	**2,316**	2,521	(8.13)
Guarantee and commitment	**3,202**	3,201	0.03
Settlement services	**1,504**	1,375	9.83
Others	**137**	203	(32.51)
Total fee and commission income	**40,918**	47,148	(13.21)
Less: fee and commission expense	**(4,004)**	(4,144)	(3.38)
Net fee and commission income	**36,914**	43,004	(14.16)

(4) Other non-interest income

The structure of the Group's other non-interest income for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2024	2023	Increase/ (decrease) (%)
Net gains arising from trading activities	**21,919**	23,224	(5.62)
Net gains arising from financial investments	**1,949**	727	168.09
Net gains on investments in associates and joint ventures	**514**	356	44.38
Other operating income	**29,141**	26,580	9.64
Total other non-interest income	**53,523**	50,887	5.18

During the Reporting Period, the Group recorded other non-interest income of 53.523 billion, representing an increase of 2.636 billion on a year-on-year basis of which net gains arising from trading activities amounted to 21.919 billion, representing a decrease of 1.305 billion or 5.62% on a year-on-year basis, on the one hand mainly attributable to the impact of market fluctuations, gains and losses related to equity valuation, bonds and interest rate derivatives increased year on year. On the other hand, the increase in swap business scale led to the year-on-year increase in foreign exchange loss.

(5) Operating expenses

During the Reporting Period, the Group's operating expenses increased by 0.318 billion or 0.41% on a year-on-year basis to 77.687 billion. The Group's cost-to-income ratio was 29.90%, representing a year-on-year decrease of 0.14 percentage point.

The breakdown of the Group's operating expenses for the periods indicated is shown below:

(in millions of RMB unless otherwise stated)

	2024	2023	Increase/ (decrease) (%)
Staff remuneration, bonus, allowance and welfare	**28,349**	27,797	1.99
Other staff costs	**13,971**	13,295	5.08
Operating expenses	**25,455**	26,750	(4.84)
Depreciation and amortization	**9,912**	9,527	4.04
Total operating expenses	**77,687**	77,369	0.41

(6) *Asset impairment losses*

During the Reporting Period, the Group's asset impairment losses were 54.207 billion, representing a year-on-year decrease of 3.763 billion or 6.49%, of which the credit impairment losses on loans decreased by 4.111 billion or 7.59% on a year-on-year basis to 50.026 billion. The Group continued to comply with the Implementation Measures for the Management of Expected Credit Losses in Commercial Banks, fully assessed the potential risks of customers, and dynamically updated the impairment model's parameters to fully reflect the impact of forward-looking information on expected credit losses. At the same time, in recent years, the Group continuously consolidated the quality of its assets and made reasonable provisions, with a view to maintaining sufficient risk mitigation and loss absorption capabilities.

(7) *Income tax*

During the Reporting Period, the Group's income tax expenses increased by 2.800 billion or 43.44% on a year-on-year basis to 9.246 billion. The effective tax rate of 8.94% was lower than the statutory tax rate of 25%, which was mainly due to the tax exemption on interest income from treasury bonds and local treasury bonds held by the Group pursuant to the relevant tax provisions.

2. *Analysis on Key Balance Sheet Items*

(1) Assets

As at the end of the Reporting Period, the Group's total assets increased by 840.245 billion or 5.98% over the end of the previous year to 14,900.717 billion, which was mainly due to the increase in the scale of loans and advances to customers.

The balances (after provision) of the key components of the Group's total assets and their proportions to the total assets as at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023		31 December 2022	
	Balance	**Proportion (%)**	Balance	Proportion (%)	Balance	Proportion (%)
Loans and advances to customers	**8,351,131**	**56.05**	7,772,060	55.28	7,135,454	54.93
Financial investments	**4,320,089**	**28.99**	4,104,142	29.19	3,955,207	30.44
Cash and balances with central banks	**717,354**	**4.81**	898,022	6.39	806,102	6.20
Due from and placements with banks and other financial institutions	**974,042**	**6.54**	859,642	6.11	690,421	5.31
Others	**538,101**	**3.61**	426,606	3.03	404,387	3.12
Total assets	**14,900,717**	**100.00**	14,060,472	100.00	12,991,571	100.00

① Loans and advances to customers

During the Reporting Period, the Group resolutely implemented the decisions and deployment of the Central Committee of the Communist Party of China, continued to increase financial supply, dynamically adjusted business strategy, effectively enhanced the accuracy and consistency of policies, fulfilled the responsibility of big business in helping the economy recover and become better, and achieved reasonable growth in the amount and effective improvement in the quality of credit delivery. As at the end of the Reporting Period, the Group's loans and advances to customers increased by 598.037 billion or 7.52% over the end of the previous year to 8,555.122 billion.

The balance and breakdown of the Group's loans and advances to customers at the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023		31 December 2022	
	Balance	**Proportion (%)**	Balance	Proportion (%)	Balance	Proportion (%)
Corporate loans	**5,566,578**	**65.07**	5,179,533	65.09	4,711,353	64.58
– Short-term loans	**1,611,541**	**18.84**	1,496,422	18.81	1,438,252	19.72
– Medium and long-term loans	**3,955,037**	**46.23**	3,683,111	46.28	3,273,101	44.86
Personal loans	**2,752,406**	**32.17**	2,473,100	31.08	2,365,317	32.43
– Mortgage	**1,466,604**	**17.14**	1,462,634	18.39	1,512,648	20.74
– Credit cards	**538,404**	**6.29**	489,725	6.15	477,746	6.55
– Personal business loans	**413,626**	**4.83**	343,585	4.32	271,660	3.72
– Personal consumption loans	**330,260**	**3.86**	173,423	2.18	99,289	1.36
– Others	**3,512**	**0.05**	3,733	0.04	3,974	0.06
Discounted bills	**236,138**	**2.76**	304,452	3.83	218,295	2.99
Total	**8,555,122**	**100.00**	7,957,085	100.00	7,294,965	100.00

The corporate loan balance was 5,566.578 billion, representing an increase of 387.045 billion or 7.47% over the end of the previous year, among which, short-term loans increased by 115.119 billion, and medium and long-term loans increased by 271.926 billion.

The personal loan balance was 2,752.406 billion, representing an increase of 279.306 billion or 11.29% over the end of the previous year, among which, mortgage loans increased by 3.970 billion or 0.27% over the end of the previous year, credit card loans increased by 48.679 billion or 9.94% over the end of the previous year, personal business loans increased by 70.041 billion or 20.39% over the end of the previous year, and personal consumption loans increased by 156.837 billion or 90.44% over the end of the previous year.

The balance of Discounted bills was 236.138 billion, decreased by 68.314 billion or 22.44% over the end of the previous year.

Distribution of loans and advances to customers by security types

(In millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Balance	**Proportion (%)**	Balance	Proportion (%)
Unsecured loans	**3,308,339**	**38.67**	2,883,274	36.23
Guaranteed loans	**1,419,438**	**16.59**	1,288,963	16.20
Loans secured by collateral	**2,733,002**	**31.95**	2,904,861	36.51
Pledged loans	**1,094,343**	**12.79**	879,987	11.06
Total	**8,555,122**	**100.00**	7,957,085	100.00

Expected credit loss allowance for loans and advances to customers

(in millions of RMB)

	31 December 2024	31 December 2023
Balance at the end of the previous year	**206,309**	178,019
Accrual/(Reversal) in the period	**50,026**	54,137
Write-offs and disposals in the period	**(36,284)**	(31,099)
Recovered after written-off	**6,198**	5,679
Other movements	**(724)**	(427)
Balance at the end of the period	**225,525**	206,309

② Financial investments

As at the end of the Reporting Period, the Group's net balance of financial investments increased by 215.947 billion or 5.26% over the end of the previous year to 4,320.089 billion.

The breakdown of investments by nature

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Balance	**Proportion (%)**	Balance	Proportion (%)
Bonds	**3,857,045**	**89.28**	3,618,639	88.17
Equity instruments and others	**463,044**	**10.72**	485,503	11.83
Total	**4,320,089**	**100.00**	4,104,142	100.00

The breakdown of investments by the presentation basis of financial statements

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Balance	**Proportion (%)**	Balance	Proportion (%)
Financial investments at fair value through profit and loss	**656,152**	**15.19**	642,282	15.65
Financial investments at amortised cost	**2,581,793**	**59.76**	2,573,911	62.71
Financial investments at fair value through other comprehensive income	**1,082,144**	**25.05**	887,949	21.64
Total	**4,320,089**	**100.00**	4,104,142	100.00

As at the end of the Reporting Period, the balance of the Group's bonds investments increased by 238.406 billion or 6.59% over the end of the previous year to 3,857.045 billion. In the future, the Group will reinforce the research and judgment of the economic and financial situation, focus on the incremental allocation and stock optimisation of securities investment. First, maintain the overall strategy focusing on interest rate debt investment, and make investment arrangements for national debt and local bonds. The second is to strengthen the research and judgment on the trend of the credit bond market, improve the credit risk pricing ability, focus on the "five priorities" of finance, and tilt resources to major national strategies and key fields. Third, the Group will increase the flow of bond transactions and continue to provide liquidity for the bond market. The fourth is to timely carry out foreign currency bond investment, focus on key areas such as "going global" and the "Belt and Road" strategy, make good arrangements for foreign currency bond investment at the right time, and continue to optimise the investment structure.

Bond investment structure by issuer

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Balance	**Proportion (%)**	Balance	Proportion (%)
Government and central banks	**3,118,942**	**80.86**	2,836,600	78.38
Public sector entities	**29,974**	**0.78**	35,653	0.99
Interbank institutions and other financial institutions	**504,458**	**13.08**	549,166	15.18
Corporate entities	**203,671**	**5.28**	197,220	5.45
Total	**3,857,045**	**100.00**	3,618,639	100.00

As at the end of the Reporting Period, financial bonds held by the Group amounted to 504.458 billion, including bonds issued by policy banks of 90.526 billion and by interbank institutions and non-bank financial institutions of 413.932 billion, which accounted for 17.95% and 82.05%, respectively.

Top 10 financial bonds held by the Group

(in millions of RMB unless otherwise stated)

Bond name	Face value	Annual interest rate (%)	Maturity date	Impairment allowance[Note]
Policy Bank Bond issued in 2017	6,336	4.39	08/09/2027	–
Policy Bank Bond issued in 2018	5,297	4.98	12/01/2025	–
Commercial Bank Bond issued in 2024	4,683	2.05	23/09/2029	–
Commercial Bank Bond issued in 2024	3,745	2.07	30/07/2029	–
Policy Bank Bond issued in 2022	3,482	SOFR+1.06	29/09/2027	–
Commercial Bank Bond issued in 2023	3,084	2.70	23/11/2026	–
Commercial Bank Bond issued in 2024	3,000	2.15	10/12/2034	–
Policy Bank Bond issued in 2024	2,982	1.80	23/07/2027	–
Commercial Bank Bond issued in 2024	2,963	2.47	29/03/2029	–
Policy Bank Bond issued in 2018	2,891	4.88	09/02/2028	–

Note: Excluding the provision for impairment in the stage 1 withdrawn according to the expected credit loss model.

③ Foreclosed asset

The selected information of the Group's foreclosed asset on the dates indicated is shown below:

(in millions of RMB)

	31 December 2024	31 December 2023
Original value of foreclosed assets	**956**	1,384
Less: Impairment allowance	**(433)**	(439)
Net value of foreclosed assets	**523**	945

(2) Liabilities

During the Reporting Period, the Group conscientiously implemented the requirements of the "six characteristics"[1] of liability quality management. The overall liability business was steadily developed. With the aim of ensuring the security, liquidity and efficiency of its operation, the Group continued to optimise and improve the liability quality management system that was suited with the size and complexity of its liabilities in accordance

[1] Stability of liability sources, diversity of liability structures, rationality of matching liabilities and assets, initiative in acquiring liabilities, appropriateness of liability costs, and authenticity of liability projects.

with the principle of adapting to the business strategy, risk appetite and overall business characteristics. The Group constantly consolidate customer basis, increase the expansion of customer deposits, improve the ability to obtain funds through multiple channels, continue to optimise the debt structure, reasonably control the cost of debt, strengthen the monitoring and analysis of liability quality, and improve the capability and level of liability quality management.

The balance and proportion of the main components in the total liabilities of the Group as of the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023		31 December 2022	
	Balance	**Proportion (%)**	**Balance**	Proportion (%)	Balance	Proportion (%)
Deposits from customers	**8,800,335**	**64.03**	**8,551,215**	65.98	7,949,072	66.47
Due to and placements from banks and other financial institutions	**2,431,451**	**17.69**	**2,424,537**	18.71	2,034,894	17.02
Certificates of deposits issued	**1,384,372**	**10.07**	**1,027,461**	7.93	1,092,366	9.13
Debt securities issued	**691,248**	**5.03**	**592,175**	4.57	530,861	4.44
Others	**437,714**	**3.18**	**365,634**	2.81	350,856	2.94
Total liabilities	**13,745,120**	**100.00**	**12,961,022**	100.00	11,958,049	100.00

As at the end of the Reporting Period, the Group's total liabilities increased by 784.098 billion or 6.05% over the end of the previous year to 13,745.120 billion. Among them, deposits from customers increased by 249.120 billion or 2.91% over the end of the previous year, which accounted for 64.03% of total liabilities and represented a decrease of 1.95 percentage points over the end of the previous year; the balance of due to and placements from interbank institutions and other financial institutions increased by 6.914 billion or 0.29% over the end of the previous year, which accounted for 17.69% of total liabilities and represented a decrease of 1.02 percentage point over the end of the previous year.

Deposits from customers

Deposits from customers is the Group's major funding source. As at the end of the Reporting Period, the Group's balance of deposits from customers increased by 249.120 billion or 2.91% over the end of the previous year to 8,800.335 billion. In terms of customer structure, the proportion of corporate deposits was 55.68% representing a decrease of 3.28 percentage points over the end of the previous year, while the proportion of personal deposits was 42.38%, representing an increase of 3.11 percentage points over the end of the previous year. In terms of deposit tenure, the proportion of demand deposits decreased by 1.25 percentage points over the end of the previous year to 33.08%, while the proportion of time deposits increased by 1.08 percentage points over the end of the previous year to 64.98%.

The balance and breakdown of the Group's deposits from customers as of the dates indicated are shown below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023		31 December 2022	
	Balance	**Proportion (%)**	Balance	Proportion (%)	Balance	Proportion (%)
Corporate deposits	**4,900,260**	**55.68**	5,041,991	58.96	4,877,033	61.36
– Demand deposits	**1,961,964**	**22.29**	2,050,524	23.98	1,989,383	25.03
– Time deposits	**2,938,296**	**33.39**	2,991,467	34.98	2,887,650	36.33
Personal deposits	**3,729,547**	**42.38**	3,358,156	39.27	2,955,724	37.18
– Demand deposits	**949,259**	**10.79**	884,746	10.35	885,013	11.13
– Time deposits	**2,780,288**	**31.59**	2,473,410	28.92	2,070,711	26.05
Other deposits	**3,436**	**0.04**	3,240	0.04	4,227	0.05
Accrued interest	**167,092**	**1.90**	147,828	1.73	112,088	1.41
Total	**8,800,335**	**100.00**	8,551,215	100.00	7,949,072	100.00

(3) Off-balance sheet items

The Group's off-balance sheet items included derivative financial instruments, contingencies and commitments as well as collaterals.

The Group mainly entered into derivative financial instruments for the purpose of transaction, hedging, asset liability management and agency. The derivative financial instruments of the Group include interest rate contracts, exchange rate contracts, precious metals and commodity contracts. Please refer to "VII. Financial Report 8" Derivative Financial Instruments for the details of nominal amount and fair value of the derivative financial instruments.

The Group's contingencies and commitments mainly included outstanding litigations, credit related commitments and financial guarantees, capital expenditure commitments, operating leasing commitments, commitments on security underwriting and bond acceptance. Please refer to "VII. Financial Report 10" Contingencies for the details of contingencies, and "VII. Financial Report 11" Commitments for the details of commitments.

The Group uses part of its assets as collaterals for interbank repurchase arrangements and other liabilities-related business.

3. Analysis on Key Cash Flow Items

As at the end of the Reporting Period, the balance of Group's cash and cash equivalents decreased by 113.511 billion over the end of the previous year to 161.950 billion.

The net cash outflow from operating activities increased by 194.671 billion on a year-on-year basis to 57.348 billion, which was mainly due to the net cash outflow from borrowing from the Central Bank and other liquidity management tools, compared with a net cash inflow last year.

The net cash outflow from investing activities decreased by 18.534 billion on a year-on-year basis to 98.089 billion, which was mainly due to the increase in net cash inflow from investment of bonds.

The net cash inflow from financing activities increased by 37.632 billion on a year-on-year basis to 42.520 billion, which was mainly due to the increase in net cash inflow from issuance and redemption of bonds.

4. Segment Analysis

(1) Operating results by geographical segments

The profit before tax and net operating income from each of the Group's geographical segments for the periods indicated are as below:

(in millions of RMB unless otherwise stated)

	2024				2023			
	Profit before tax	**Proportion (%)**	**Net operating income[1]**	**Proportion (%)**	Profit before tax	Proportion (%)	Net operating income[1]	Proportion (%)
Yangtze River Delta	**41,337**	**39.95**	**95,423**	**36.66**	49,112	49.26	93,094	36.08
Pearl River Delta	**9,174**	**8.87**	**25,281**	**9.71**	9,215	9.24	25,860	10.02
Bohai Rim Economic Zone	**20,774**	**20.08**	**33,436**	**12.85**	22,213	22.28	32,308	12.52
Central China	**21,197**	**20.48**	**37,080**	**14.25**	22,586	22.65	38,636	14.98
Western China	**16,225**	**15.68**	**23,448**	**9.01**	10,145	10.18	24,138	9.36
North Eastern China	**5,631**	**5.44**	**7,861**	**3.02**	3,567	3.58	7,829	3.03
Overseas	**11,601**	**11.21**	**18,762**	**7.21**	5,948	5.97	17,761	6.88
Head Office[2]	**(22,464)**	**(21.71)**	**18,978**	**7.29**	(23,088)	(23.16)	18,388	7.13
Total[3]	**103,475**	**100.00**	**260,269**	**100.00**	99,698	100.00	258,014	100.00

Notes:

1. Including net interest income, net fee and commission income, net gains/(losses) arising from trading activities, net gains/(losses) arising from financial investments, net gains/(losses) on investments in associates and joint ventures as well as and other income. Same applies hereinafter.

2. Including the Pacific Credit Card Centre. Same applies hereinafter.

3. Including profit/(loss) attributable to non-controlling interests.

4. The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

(2) Deposits and loans and advances by geographical segments

The Group's loans and advances balances by geographical segments as at the dates indicated are as below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Loans and advances balances	**Proportion (%)**	Loans and advances balances	Proportion (%)
Yangtze River Delta	**2,432,084**	**28.43**	2,226,422	27.98
Pearl River Delta	**1,115,864**	**13.04**	1,051,204	13.21
Bohai Rim Economic Zone	**1,406,292**	**16.44**	1,288,078	16.19
Central China	**1,370,600**	**16.03**	1,290,880	16.22
Western China	**1,024,200**	**11.97**	947,510	11.91
North Eastern China	**274,860**	**3.21**	265,215	3.33
Overseas	**329,666**	**3.85**	359,446	4.52
Head Office	**601,556**	**7.03**	528,330	6.64
Total	**8,555,122**	**100.00**	7,957,085	100.00

The Group's deposit balances by geographical segments as at the dates indicated are as below:

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Deposit balances	**Proportion (%)**	Deposit balances	Proportion (%)
Yangtze River Delta	**2,433,080**	**27.65**	2,363,907	27.64
Pearl River Delta	**1,037,123**	**11.79**	1,057,766	12.37
Bohai Rim Economic Zone	**1,892,633**	**21.51**	1,825,945	21.35
Central China	**1,436,159**	**16.31**	1,365,881	15.99
Western China	**913,041**	**10.37**	894,662	10.46
North Eastern China	**441,464**	**5.02**	426,274	4.98
Overseas	**476,226**	**5.41**	465,463	5.44
Head Office	**3,517**	**0.04**	3,489	0.04
Accrued interest	**167,092**	**1.90**	147,828	1.73
Total	**8,800,335**	**100.00**	8,551,215	100.00

(3) *Operating results by business segments*

The Group's four main business segments are corporate banking, personal banking, treasury businesses and other businesses.

The Group's profit before tax and net operating income by business segments for the periods indicated are as below:

(in millions of RMB unless otherwise stated)

	2024		2023	
	Amount	**Proportion (%)**	Amount	Proportion (%)
Net operating income	**260,269**	**100.00**	258,014	100.00
Corporate banking	**125,958**	**48.40**	126,485	49.02
Personal banking	**102,636**	**39.43**	108,465	42.04
Treasury businesses	**30,688**	**11.79**	22,431	8.69
Other businesses	**987**	**0.38**	633	0.25
Profit before tax	**103,475**	**100.00**	99,698	100.00
Corporate banking	**60,586**	**58.55**	51,398	51.56
Personal banking	**19,197**	**18.55**	32,980	33.08
Treasury businesses	**23,164**	**22.39**	15,246	15.29
Other businesses	**528**	**0.51**	74	0.07

Note: The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

(II) Business Review

1 Development Strategies and Implementation

Guided by the strategic goal of "building a world-class banking group with distinctive advantages, the Group deeply grasped the political and popular nature of financial work, gave full play to the role of state-owned banks as the main force in serving the real economy, established and improved the system and mechanism of the "five priorities" in finance, optimized the financial products and services of "five priorities" in finance, deepened business characteristics in implementing the "five priorities" in finance, gave full play to "Shanghai Base" advantage, and continued to improve its comprehensive strength.

Sci-tech finance is one of the four business features of the Bank. During the Reporting Period, the Bank improved its top-level design, established the Technology Finance Committee, and established the four-tier organisational system covering the head office, branches (provincial), branches (municipal) and sub-branches, thereby forming a top-to-bottom promotional mechanism that connects the head office and branches and enables coordination between the parent bank and subsidiaries. The Bank took the following specific measures to improve its sci-tech finance business: optimising the credit product system; based on the different characteristics of enterprises in the start-up stage, growth stage and maturity stage, creating exclusive products to meet the credit financing needs of enterprises throughout their respective lifecycles; extending the "active credit extension" model across the whole bank; leveraging the Bank's "stocks, loans, debts, leases and trust" business to pool the resources of the entire group for the purposes of promoting business in existing and emerging technological innovation fields; implementing the "investments in early stage start-ups, investments in small enterprises, investments in enterprises with long-term strategies, and investments in hard technology-based enterprises" policy guidance; actively promoting the equity investment expansion pilot work of Financial Asset Investment Companies (AICs), which covers 18 pilot cities; and based on policy tools, making full use of refinancing business to provide support for technological innovation and transformation. As at the end of the Reporting Period, sci-tech enterprises credit customers increased by 45.37% over the end of the previous year; and strategic emerging industry loans, "SRDI (specialized, refined, differential, innovative)" small and medium-sized enterprises loans, and technology-based small and medium-sized enterprises loans increased by 9.05%, 64.5%, and 59.59%, respectively.

Green finance. The Bank focused on the goals of carbon peaking and carbon neutrality, building a beautiful China, promoting the comprehensive green transformation of economic and social development, and accelerating improvements to the green financial system. The Bank improved the governance structure of green finance; coordinated the promotion of green finance-related work; actively supporting green and low-carbon transformation in key areas and serving the construction of the modern energy system; actively serving the construction of clean energy, green low-carbon, and new infrastructure projects across the Belt and Road countries; steadily enriching green financial products and the green financial service system; propelling the implementation of featured business products and services such as sustainability-linked loans, green bonds, China Certified Emission Reduction (CCER) pledge financing, and eco-environment-oriented development (EOD) financing; strengthening the classified management and dynamic assessment of ESG, and incorporating it into the business management process and comprehensive risk management system; accelerating the innovation and development of transformation finance; and spearheading the formulation of the transformation finance catalogue for Shanghai's water transport industry. As at the end of the Reporting Period, the balance of green loans across the Bank was representing an increase of 8.58% over the last year. During the year, the Bank was awarded the title of "Best Financial Institution for Green Finance Cases in 2024 in Pudong" by GF60. In addition, the Bank was the only major state-owned bank selected as a pilot organisation for the carbon emission information disclosure programme for financial institutions.

Inclusive finance is one of the four business features of the Bank. During the Reporting Period, the Bank focused on pain points and difficulties to strengthen inclusive financial services and promote the high-quality development of inclusive finance. The Bank took the following specific measures to improve its inclusive finance business: deepening the reform of the structure of inclusive finance; establishing the "Inclusive Finance Digital Operations Centre" by special work teams; focusing on "Direct operation, Digital empowerment, and Burden reduction at the grassroots level", creating a digital business model integrating online and onsite operation, and promoting a high-quality development of inclusive finance; establishing special work teams at the levels of the head office, branches (provincial), branches (municipal), and sub-branches; taking the initiative to connect with the coordination mechanism of governments at all levels in an all-round way; promoting the "visiting thousands of enterprises and thousands of households" initiative; continuing to increase financial support for private enterprises, small and micro enterprises and individual businesses; increasing first loans, renewal loans, credit loans, and medium and long-term loans; strengthening services for agriculture, rural areas and farmers to drive rural revitalisation; consolidating financial services for agricultural leaders and chain enterprises in the leading grain and seed industries; relying on digital empowerment to cultivate service characteristics; flexibly customising 40 featured, agricultural scenario-based products. The Bank earnestly fulfilled its responsibility for paired assistance, and in this regard, it has achieved the "outstanding" evaluation for six consecutive years. As at the end of the Reporting Period, the balance of inclusive loans for small and micro enterprises was representing an increase of 29.10%; and the balance of agricultural-related loans was representing an increase of 15.72%.

Pension finance. The Bank proactively supported the development of pension business and the silver economy, and comprehensively promote the coordinated development of the five major areas of pension industry finance, pension finance, pension wealth management, pension consumer finance, and aging financial services. The Bank optimised credit policies in the health industry, pension industry and silver economy, supporting the "government + guarantee + bank" financing service model; launching the "tranche loan for elderly care" business in Shanghai, fully promoting the use of inclusive re-lending policy tools for elderly care. In addition, the Bank provided a one-stop personal pension service system that features "account opening-funds deposit-product investments-comprehensive services", and the account size grows rapidly. The Bank continued to strengthen account management and custody services for the national social security fund, basic pension funds and enterprise (occupational) annuities, and ranking at the forefront of the industry in terms of the scale of the pension custody business. The Bank launched the product series of "Home Care Optimisation", 323 aging wealth management products were launched, offering all categories of product tiers for pension savings, funds, insurance and wealth management products, ranking at the forefront of the industry in terms of total number of products. The Bank fully leveraged the advantages of integrated operations, and the management scale of pension target funds and the yield of our pension wealth management products remained remarkably strong. The Bank promoted elderly care service demonstration outlets; launched the "Care version" of BOCOM On-cloud online services to improve elderly-friendly facilities and services at our business outlets and relaxed the age limit for elderly people to apply for vehicle loans and credit cards. As at the end of the Reporting Period, the Bank's balance of loans for the elderly care industry was representing an increase of 38.84% from the beginning of the year.

Digital finance. From a strategic perspective, the Bank views the construction of a digital new bank as an important breakthrough. During the year, the Bank took the following specific measures to improve its digital finance business: deepening systematic mechanism reform, integrating the Digital Finance Committee from former FinTech and Product Innovation Committee and Digital Governance Management Committee (Financial Statistics Standardization) under the senior management, to strengthen the decision-making and organizational coordination of major digital finance issues. Proactively driving digital transformation, the Bank increased data source expansion while also integrating applications and enable accurate customer acquisition, financing credit enhancement, and risk measurement. The Bank will promote the large-scale and systematic application of artificial intelligence, and accelerate the release of human workload in areas such as anti money laundering, anti fraud, customer service, and centralized operation. The Bank apply virtual digital human technology, and improving online channel service capabilities through human-computer collaboration.

deeply promoting the supply of digital financial products. The Bank launched the "BoCom Sci-tech Innovation", "Huimin Credit", "Benefit Business Loan", and the "BOCOM On-cloud", among other products. The Bank deeply promote ecosystem construction for digital financial scenarios and create a platform ecosystem that links government, businesses and consumers (G-B-C). The "BOCOM Government Connect" service brand now renders more than 2,000 government affairs-related service items. In addition, the Bank took the advantages of financial technology, export technology, platform and other service resources, and support digital transformation of enterprises, and small and medium-sized banks.

In addition, the Bank continued to create the characteristics of trade finance and wealth finance. For trade finance, the Group actively served the development of industrial chain supply chain and high-level opening to the outside world, optimised and strengthened trade financial products, and enhances the ability of the new development pattern of dual circulation of services. During the Reporting Period, the amount of trade finance increased by 31.76% year-on-year, the cross-border business income increased by 13.46% year-on-year, and the industrial chain financial business volume increased by 6.73% year-on-year. For wealth finance, the Group actively practiced the people-centred development idea, deeply integrated wealth finance and inclusive finance, improved the availability and coverage of wealth management services, made products with security, profitability and liquidity benefit customers, and better met the multi-level wealth management needs of the people. At the end of the Reporting Period, the balance of the Group's financial products increased by 27.65% compared with the end of the previous year, and the proportion of net worth financial products increased by 2.77 percentage points compared with the end of the previous year.

Leverage the Advantage of "Shanghai Base". Deeply integrate and serve the construction of Shanghai's "Five Centres", and support the Expo as a "Core Support Enterprise" for three consecutive years. The Group conformed to the development trend of new quality productivity, inaugurated Bank of Communications Technology Financial Centre (Zhangjiang) and continuously enriched the scientific innovation product system. The Group spared no effort to serve the construction of Shanghai's financial factor market. As the main enterprise in the blockchain financial field in Shanghai, the blockchain technology has been applied to the credit, cross-border trade, supply chain finance and other scenarios of technology-based enterprises. The agency clearing volume of the inter-bank market and the settlement volume of the securities and futures market remained at the forefront of the market, and the transactions of various inter-bank market segments remained at the forefront of the industry. The Group served the construction of Shanghai International Financial Centre and established a professional custody centre. For three consecutive years, The Group has participated in the "One Network All Services" of the Shanghai Municipal Government to further deepen the cooperation between government and banking projects. The "BOCOM GovernmentConnect" service and online mortgage registration, which were first tried in Shanghai, have been replicated and promoted in many branches. The Group actively helped the construction of an international green financial hub, released the first order of Shanghai Pudong New Area climate investment and financing project library, continued to innovate transformation financial products, and implemented the first order of transformation loans for water transport industry, steel industry, chemical industry and other industries.

2 *Corporate Banking Business*

- Focusing on "five priorities" of finance, the Bank mainly served the real economy by promoting an increase in total credit allocation with an excellent structure. During the Reporting Period, the Group's corporate loan balance increased 387.045 billion or 7.47% over the end of the previous year, in which "SRDI (specialized, refined, differential, innovative)" small and medium-sized enterprises loans, green credit, and the agriculture-related loans of domestic banking institutions increased by 64.50%, 8.58% and 15.72%, respectively, all exceeding the average growth rate of the Group's loans.

- The Bank served national strategies and supported the development of key areas. As at the end of the Reporting Period, the balance of loans of three major regions including the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area and the Beijing-Tianjin-Hebei Region increased by 7.85% over the end of the previous year, exceeding the average growth rate of the Group's loans by 0.33 percentage point. Balance of loans in these three major regions accounted for 54.01%, representing an increase of 0.17 percentage point over the end of the previous year.

(1) Customer development

The Bank continuously carried out the management of corporate customers by tiered classification and built a refined and professional service system. As at the end of the Reporting Period, the total number of corporate customers of domestic banking institutions increased by 6.68% over the end of the previous year.

For group customers, the Bank increased its services and support for national strategies such as the building of a strong power in technology and finance, manufacturing, green development, digital economy and agriculture. It also committed to establishing a group-wide integrated and collaborative service system and continued to optimise customer service policies and credit procedures in order to improve service level and business synergy. At the end of the Reporting Period, the total number of group customers was 111,800, representing an increase of 14,300 over the end of last year. In terms of government institutions customers, the Bank actively participated in the construction of digital government and the process of digital transformation of cities, helped to provide convenient administrative services, and built a system of intelligent government products. As at the end of the Reporting Period, the number of government institutions customers reached 80,700, representing an increase of 3,725 over the end of the previous year. For small and micro basic customers, the Bank further implemented the strategy of "Internet Management, Online Management and Remote Management", and established a new generation for the call system, enhanced support for digital batch financial services, and improved the quality and efficiency of online-offline collaborative services. As at the end of the Reporting Period, the number of small and micro basic customers reached 2,560.7 thousand, representing an increase of 116 thousand over the end of the previous year.

(2) *Scenario construction*

The Bank intensively explored scenario construction through digital thinking, gaining noticeable achievements in subdivided scenarios such as medical care, industrial parks, central corporate treasury and interbank fund management. The "Credit for Medical Treatment" initiative has been launched in 97 cities, including Shanghai, Dalian, Guangzhou, Xiamen and Zibo, to solve the problem of queuing for medical treatment through the new model of "Treatment First and Payment Later". With the feature "fee collection" and "fee reconciliation" of Intelligent Financial Services Platform, scale effect has been formed in electricity payment, wholesale manufacturing, logistics leasing and other industries. The total number of customers exceeded 140 thousand, with a collection and settlement volume of 2.5 trillion, representing a year-on-year increase of 27.39%. Aiming at the capital supervision needs of government affairs, people's livelihood and other scenarios, the Bank launched BOCOM e-supervision digital integrated service platform to provide users with safe, flexible, accurate and efficient full cycle capital supervision services. The one-stop scenario scheme of "BOCOM dianwangtong" was launched to comprehensively serve the financial needs of power grid groups and up and down tourist groups in the links of power sales, electricians, power construction and power consumption with "financing+settlement", and 1,850 new customers were added, increasing by 43.19% year-on-year; The new issuance of financing increased by 89.18% year-on-year.

(3) Inclusive services for small and micro enterprises

The Bank continued to optimise its credit structure; increased investments in key areas such as small and micro first borrowers, technology-based small and micro enterprises, and rural revitalisation; and continued to expand the volume and scope of inclusive credit while improving quality and efficiency. The Bank also enriched its BoCom Zhanyetong and BoCom Yinongtong brands, and improved online access to the "Inclusive e-Loan" and "Xingnong e-Loan" series products, with a view to delivering standard online products and customised scenario products to customers. The Bank encouraged all employees to improve comprehensive inclusive services for small and micro customers and launched the innovative "Enterprise Mobile Banking Inclusive Edition 2.0". By continuing to integrate the development of inclusive finance and technology finance, the Bank created a special product system for small and micro technology-based enterprises and expanded the active credit extension service model. By accelerating digital empowerment, the Bank improved the digital risk control system, and strengthened post loan management and compliance management to firmly uphold the bottom line of risk.

At the end of the Reporting Period, the balance of inclusive loans provided to small and micro enterprises was 762.073 billion, representing an increase of 29.10% over the end of the previous year. The number of customers with loan balances was 416.2 thousand, representing an increase of 21.88% over the end of the previous year. The accumulated average interest rate of inclusive loans provided to small and micro enterprises was 3.23%, representing a year-on-year decrease of 20 basis points. Non-performing loan ratio of inclusive loans provided to small and micro enterprises was 0.98%, representing a decrease of 0.28 percentage point over the end of the previous year. Also, 2,777 business outlets of the Bank provided financing services for small and micro enterprises.

(4) Industrial chain financing services

Based on the needs of modern industrial system construction and development, the Group focused on key customer groups such as central state-owned enterprises, strategic customers and local leading enterprises, increased support in key areas such as manufacturing, scientific and technological innovation and green development, and helped the real economy strengthen the chain, supplement the chain and extend the chain. The Group increased the iterative optimisation and market promotion of the Bank's self-built "smart transaction chain" platform, continued to promote the docking with core enterprises and third-party supply chain platform systems, and created a digital scene service feature of industrial chain finance. The Group innovated the "second level" financing product line, enable technology to improve service efficiency, optimised customer experience, and enhanced the level of financial digitalization in the industrial chain. During the Reporting Period, the financial business volume of the industrial chain was 616.578 billion yuan, increasing by 6.73% year-on-year. There were 55,900 upstream and downstream enterprises in the service industry chain, increasing by 17.94% year-on-year.

(5) Sci-tech services

The Group actively connected with the strategy of strengthening the country through science and technology, made overall use of creditor's rights, equity and other means, provided full chain and life-cycle financial services for technology-based enterprises, and helped to form a virtuous circle of "Science and Technology-Industry-Finance". The Group focused on strategic emerging industries and future industrial development and optimised customer structure and asset structure. The Group focused on key customer groups such as high-tech enterprises, technology-based small and medium-sized enterprises, national single champion of manufacturing industry, "Little Giant" specializing in special innovation, small and medium-sized enterprises specializing in special innovation, and national technological innovation demonstration enterprises. The Group improved the four-level organizational structure of "headquarters and branches", innovated and developed the exclusive evaluation model of "1+N" scientific and technological enterprises, and enriched the product service system. At the end of the Reporting Period, the number of technology finance credit customers increased by 45.37% compared with the end of the previous year; The balance of loans to strategic emerging industries increased by 9.05% over the end of the previous year; There were 6,454 "Little Giant" enterprises specialized in service and new, with market coverage of 43.94% and loan balance increased by 55.12% compared with the end of last year.

(6) Investment banking

The Bank integrated into its offerings diversified investment and financing products such as domestic and overseas bonds, equities and M&A loans, and actively served technological innovation, green low-carbon, high-level opening up, and regional development strategies. During the Reporting Period, according to the National Association of Financial Market Institutional Investors (NAFMII), the scale of the Bank's bond underwriting (debt financing instruments for non-financial enterprises) reached 198.867 billion. The Bank provided sci-tech enterprises with various financing services, such as bond underwriting, M&A loans, equity investment and leases, amounting to 41.346 billion. By actively seizing opportunities presented by the equity investment expansion pilot policy for financial asset investment companies (AICs), the Bank achieved full coverage of contracted funds across the 18 pilot cities. In addition, by paying the subscribed capital contribution of 20 billion, the Bank participated in the investment and establishment of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., to drive the development of the country's integrated circuit industry. As a result of the Group's equity investment efforts, the Bank invested 3.8 billion in the integrated circuit industry, increasing by 18% year-on-year.

3 Personal Banking Businesses

- The personal deposits grew steadily, and the cost of deposits decreased continuously. As at the end of the Reporting Period, the balance of personal deposits amounted to 3,729.547 billion, representing an increase of 11.06% over the end of the previous year. During the Reporting Period, with optimising the deposit structure and strengthen pricing control, the interest payment cost ratio for RMB savings deposits of domestic banking institutions was 2.07%, representing a decrease of 21 basis points over the end of the previous year.

- Consumer loans maintained rapid development. The Bank prioritised the recovery and expansion of consumption, focused on the balanced development of "quantity, price and performance", and provided financial support for consumption. As at the end of the Reporting Period, the balance of personal loans amounted to 2,752.406 billion, representing an increase of 11.29% over the end of the previous year. Among them, the balance growth rate has been leading the industry for four consecutive years the share[2] of personal consumer loans of domestic banking institutions increased by 2.92 percentage points over the end of last year.

- The scale of the retail customer base continued to grow. The Bank strengthened hierarchical and classified operations for customers and promoted holistic "online + offline" scenarios to acquire and activate customers. As at the end of the Reporting Period, the number of retail customers of domestic institutions reached 199 million, and the number of middle and high-end customers exceeded 2.7505 million, representing an increase of 9.86% over the end of the previous year.

(1) Retail customers and assets under management (AUM)

The Bank deepened hierarchical and classified operations for customers, and strengthened its use of digital marketing tools, so as to accurately identify and meet financial needs in different customer lifecycles and achieve omni-channel, full-chain, and full-journey marketing services. The Bank continued to improve the convenience, satisfaction and coverage of customer services, and optimised the customer structure. As a result, the scale of retail AUM climbed to a near three-year high. As at the end of the Reporting Period, the number of retail customers of domestic branches (including debit card and credit card customers) increased by 3.68% over the end of the previous year to 199 million. The number of qualified OTO Fortune customers increased by 9.77% over the end of the previous year to 2.6563 million. As at the end of the Reporting Period, the scale of AUM increased by 9.74% over the end of the previous year 5,489.325 billion.

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2 The proportion in 17 commercial banks, same applies hereinafter

(2) Wealth management

With a focus on improving customers' sense of gain, happiness and security in respect of investment, the Bank optimised its product review mechanism and its dynamic on- and off-shelf adjustment mechanism, improved its ability to select wealth products, and continued to build the "OTO Best Choice" product brand. The Bank improved its product system, added stable low volatility products and index products that meet the needs of customers, and took the lead among state-owned banks in introducing commercial pension insurance and family trust services. Additionally, the Bank strengthened its efforts in system construction and digital transformation, optimised the wealth channel of mobile banking, built a personal wealth management system, improved the after-sales service support system for personal wealth products, and enhanced customers' wealth journey experience. The Bank was pleased to see the "OTO Best Choice" product series outperform its market counterparts in 2024. As at the end of the Reporting Period, the balance of personal public funds products on consignment was 216.004 billion, the balance of personal wealth management products on consignment was 960.769 billion, and the balance of insurance products on consignment was 326.331 billion.

(3) Payment and Scenarios

The Bank supported the national plan to promote consumption by frequently collaborating with major online platforms to organise marketing activities in various scenarios, such as cultural tourism, trade-ins, supermarkets and catering. The Bank continued to provide "new citizens" with dual debit and credit cards, card-related benefits and exclusive related products. During the Reporting Period, a total of 1,998,000 debit cards were issued to new citizens.

The Bank continued to make payments more convenient, optimise the acceptance environment for international cards, and comprehensively improve the payment experience for foreigners. During the Reporting Period, the number of merchants that can accept foreign cards increased by 287.14%, compared with last year. In terms of transportation scenarios, the Bank supported transactions such as using international cards to book tickets online and make in-person in-flight purchases with large airlines such as China Eastern Airlines, China Southern Airlines and Shenzhen Airlines, supported the acceptance of international cards in subways in multiple regions such as Shanghai and Changzhou, and cooperated with leading online car-hailing platforms and new energy platforms to provide financial products and services for car owners. In terms of healthcare scenarios, the Bank cooperated with payment platforms to optimise service channels for medical credit products, with a view to making payment services more convenient, among 97 cities and almost 1,200 hospitals. In terms of educational scenarios, the Bank supported the use of international cards by foreign students to pay tuition fees in several colleges, and the Bank continued to provide agency settlement services and relevant value-added services for loans for impoverished college students granted by China Development Bank in 11 provinces (autonomous regions and municipalities), and the Bank has served more than 1 million students in two years.

(4) Personal loans

During the year, the Bank proactively supported the rigid and improved housing demand of residents, adhered to the dual-driver development model of new and second-hand homes, and constantly enriched online and digital functions across the entirety of its housing loan process. As at the end of the Reporting Period, the balance of personal loans amounted to 1,466.604 billion, representing an increase of 0.27% over the end of the previous year.

To serve the national strategy of supporting consumption and expanding domestic demand, the Bank actively promoted the implementation of trade-in policies, and innovated and iterated consumer financial products such as household consumption loans, so as to drive the expansion of personal consumption loans. The Bank pursued close, high-level cooperation with new energy vehicle brands, and granted more new energy vehicle loans, with a view to green finance and low-carbon consumption. As at the end of the Reporting Period, the balance of personal consumption loans was 330.260 billion, representing an increase of 90.44% over the end of the previous year.

By comprehensively upgrading the personal business loan product system and developing online digital business loan products, the Bank expanded the key areas covered by personal business loans so as to help business owners "expand operations, solve difficulties, reduce costs, and enjoy benefits". As at the end of the Reporting Period, the balance of personal business loans was 413.626 billion, representing an increase of 20.39% over the end of the previous year.

The Bank continuously consolidated the digital operation foundation of personal loans, and continued to strengthen the foundation of its enterprise level architecture, big data, and digital AI capabilities, so as to help break through product barriers and establish an integrated credit model for people. As part of our digital transformation, the Bank continuously improved service capabilities for small and micro businesses, farmers, new citizen groups, and scenarios related to people's livelihoods, promoted joint risk prevention and control, and improved the efficiency of centralised risk operations in respect of review and approval, post loan collection, and other processes.

(5) Private banking

The Bank improved the investment research driving mechanism, further demonstrated the leading role of investment strategy, continued to enrich product shelves, continuously enhanced product selection capability, and improved asset allocation service capability. In addition, the Bank organised private banking customer activities under the theme of promoting traditional culture and Chinese civilisation, with a view to meeting people's spiritual and cultural needs. For example, the Bank held customer activities such as "Cultural Continuity through the Past and Present", "Introduction to Famous Schools" and "Scholarly Jiaohang", which were warmly received. Meanwhile, the Bank held charity forums to promote the integrated development of "finance + charity", improve the charity service ecosystem and use wealth for the common good. During the year, the Bank improved the special service systems for Household trusts, Family trusts, Pension trusts, charitable trusts and other services, and the scale of the Bank's family wealth business increased by 43.56% from the beginning of the year. As at the end of the Reporting Period, there were 94,200 private banking customers of the Group, representing an increase of 12.71% over the end of the previous year; the assets of private banking customers under management of the Group were 1,295.6 billion, representing an increase of 11.07% over the end of the previous year.

(6) Credit cards

With the goal of "giving back to customers, building brands, and stimulating consumption", the Bank launched activities to promote instalment business such as "Benefiting Customers and Revitalising Consumption" and "Sharing Fun", and spending and cashback reward campaigns such as "That's the Way to Benefit". In addition, the bank continued to build the brand of "the Red Friday", focusing on the consumption scene just needed by the masses, and more than 1.8 million preferential customers throughout the year. As at the end of the Reporting Period, the balance of credit card loans of domestic banking institutions was 538.404 billion, representing an increase of 9.94% over the end of the previous year, among which, the balance of auto instalment loans increased by 67.416 billion or 240.10% over the end of the previous year. The number of credit cards registered by domestic banking institutions was 63,009,400. During the Reporting Period, the total consumption of credit cards reached 2,451.335 billion.

4. Interbank and Financial Market Businesses

◆ The Bank actively supports the construction of a modern financial system with Chinese characteristics. The Bank intensively participated in the financial market development of bonds, currencies and foreign exchange within China, improved its market making and quotation abilities, deepened the business cooperation in the financial market, optimised the professional custody services, and transformed financial market products into quality services that meet the needs of economic and social development as well as the demands of all kinds of customers, constantly strengthening the capabilities to serve the real economy.

(1) Inter-bank businesses

The Bank joined hands with its financial peers to create an ecosystem serving the real economy. The Bank continued to improve the quality and efficiency of financial infrastructure services, and the amount of agency clearing in the inter-bank market and settlement in the securities and futures market remained at the forefront of the market. The Bank vigorously improved the customer service ability of the securities market, carried out third-party depository business cooperation with 108 securities companies, and the growth rate of third-party depository customers ranked among the top state-owned big banks. The Bank strengthened the docking of digital RMB cooperative banks and realised the implementation of digital RMB application scenarios in government affairs, medical care, transportation, shopping and consumption and other livelihood fields.

The Bank actively served the innovative development of the financial market. The Bank was the first bank to carry out foreign exchange transaction settlement business, helping the inter-bank foreign exchange market to improve operational efficiency, and was the first to carry out the clearing of central counterparties of standard interest rate derivatives to help manage the risk of the bond market. The Bank strengthened cooperation with domestic investors and market making quotation institutions of Bond Connect, optimised the agency clearing service of Bond Connect, and supported the interconnection of bond market.

(2) Financial market businesses

Focusing on national strategies and the needs of the real economy, the Bank leveraged a combination of investment and trade instruments to provide financial support to major strategies, key regions, and weak links, for the purpose of serving high-quality economic development.

The Bank gave full play to its role as a leading state-owned bank, and proactively conducted market making, quotations, and trading to help shape the "Shanghai Price". During the Reporting Period, the trading volume of in RMB currency market amounted to 115.98 trillion; the trading volume of foreign currency amounted to USD738.8 billion, the trading volume of RMB bonds amounted to 6.44 trillion; the trading volume in interbank foreign exchange market amounted to USD4.20 trillion; the trading volume of self-operated gold amounted to 5,880 tons, maintaining its market position as an active trading bank.

The Bank closely supported the high-level opening up of finance, launched the first batch of RMB foreign exchange transactions in the inter-bank market free trade zone with the new function of "Northbound Swap Connect", participated in the first batch of differential delivery forward transactions between the US dollar and Indonesian rupee, Korean won, Brazilian real and other currencies in the trading centre, and launched the settlement and sales of foreign exchange to customers in Brazilian real, Hungarian forint, Polish zloty and other currencies in the counter market.

(3) Asset custody businesses

The Bank grasped the market trend, deepened the cooperation with excellent fund companies, promoted the layout of public fund custody products, and met the needs of residents' wealth management and asset allocation. The Bank consolidated and illustrated the advantages of pension trusteeship, continued to expand the coverage of pension trusteeship, and elaborated the pension finance. Also, the Bank focused on key areas and customers, enriched the private equity fund custody service chain, and helped the development of science and innovation enterprises. The Bank promoted the reform of the trusteeship system and mechanism, and further built the core competitiveness of trusteeship. At the end of the reporting period, the asset custody scale was 15.57 trillion.

5. Integrated operation

- The Group established development pattern with commercial banking business as the body, in close coordination and connection with other businesses including financial leasing, fund, wealth management, trust, insurance, overseas securities and debt-to-equity swap, so as to provide comprehensive financial services for customers.

- During the Reporting Period, net profits of subsidiaries[3] that are attributable to shareholders of the Bank amounted to 9.205 billion, the proportion of which to the Group's net profit was 9.84%. As at the end of the Reporting Period, total assets of the subsidiaries are 747.815 billion, the proportion of which to the total assets of the Group was 5.02%.

[3] Excluding Bank of Communications (Luxembourg) S.A., Bank of Communications (Brazil) Co., Ltd. and Bank of Communications (Hong Kong) Limited, same applies hereinafter.

Bank of Communications Financial Leasing Co., Ltd. As the Bank's wholly owned subsidiary, the company was set up in December 2007 with a registered capital of 20.0 billion. The main business scope includes financing leasing and operating leasing in sectors such as aviation, shipping and energy power, transportation infrastructure, equipment manufacturing and livelihood services. The company is the Chief Administration Unit of the China Banking Association's (CBA) Financial Leasing Committee as well as the Chief Administration Unit of the Shanghai Banking Association's Financial Leasing Committee. The company adhered to the development strategy of "specialization, internationalization, differentiation and specialization", and deepened its efforts in shipping, aviation, equipment leasing and other business sectors. As at the end of the Reporting Period, total assets were 443.600 billion, and the balance of leasing assets was 397.752 billion. the balance of net assets was 49.204 billion. The company's total assets and scale of leased assets ranked first in the industry, and it owned and managed 471 ships and 157.056 billion in aircraft charter assets. The company was the largest leasing company in the domestic merchant fleet. The company also had a fleet of 298 planes and a balance of aviation leasing assets amounting to 100.580 billion. During the Reporting Period, the company generated operating revenue of 32.172 billion, representing a year-on-year increase of 9.69%; and net profit was 4.367 billion, representing a year-on-year increase of 9.02%. During the year, the company won 34 honours, including ranking first in the Top 10 in Ship Finance 2024 of Lloyd's List. In addition, the company's case – "Distributed Photovoltaic Exclusive Green Leasing Product – Youneng Leasing" – was included among the "Green Finance Cases" under the "2024 Innovative Practical Cases of Building a Financial Power" of People's Daily.

During the Reporting Period, the company made precise efforts to develop the "five priorities" of finance, invested 18.214 billion in technology leasing business, served 171 technology-based enterprises, and kicked off the first cross-border lease project for solar photovoltaic (SPV) computing equipment in the domestic financial leasing industry, so as to support the country's self-reliance in respect of high technology. The company promoted the creation of "digital chain rent", the first scientific and technological financial product integrated and coordinated by the Group, branches and subsidiaries. The company devised coordination plans for leasing business in key areas such as "green leasing" and new infrastructure construction and implemented green interaction projects totalling 20.645 billion. In order to serve the development of new quality productive forces, the Bank realised investment of 31.689 billion in new infrastructure and new energy leasing business and kicked off the first SPV new energy equipment leasing project in the domestic financial leasing industry. For the purpose of serving the country's "manufacturing power" strategy, the company successfully delivered its first C919 aircraft to China Southern Airlines, helping to build an "aviation power". As at the end of the Reporting Period, the balance of leased assets in the manufacturing industry was 32.811 billion, representing an increase of 26.80% over the end of the previous year. The company continued to deepen transformation and innovation. As at the end of the Reporting Period, operating lease assets accounted for 52.18% and direct lease business accounted for 56.15%; both of these figures represented improvements from the end of the previous year and made the company a leader in the industry.

Bank of Communications International Trust Co., Ltd. The company was set up in October 2007 with a registered capital of 5.765 billion, of which the Bank and Hubei Provincial Communications Investment Group Co., Ltd. Contributed 85% and 15% shares respectively. The main business scope includes trust loans, equity investment trusts, securities investment trusts, credit asset securitization, corporate asset securitization, qualified domestic institutional investor (QDII), family trusts, charitable trusts, etc. During the Reporting Period, the company adhered to the principle of stability, took the strategic goal of creating "the most trustworthy first-class trust company", accelerated the transformation and development, and deepened the synergy of the Group. As at the end of the Reporting Period, the total assets were 19.522 billion, the net assets were 16.896 billion and the assets under management of the company were 679.035 billion, representing an increase of 20.49% compared with last year. The company's net profit during the Reporting Period was 0.792 billion, representing an increase of 2.69% on a year-on-year basis. The company again won the "Integrity Trust• Excellent Company Award" from Shanghai Securities News, and its "Jiaoyin Guoxin•Fengyun No. 68 Actively Managed TOF Product" again won the "Golden Bull Award of the China Trust Industry" from China Securities Journal.

During the Reporting Period, the company actively implemented the regulatory requirements for the "three types of trusts", insisted on returning to its original mission, and seriously planned matters relating to the "five priorities" of finance. The company's investment in the Qi'an Phase II Fund was selected as the full lifecycle sci-tech innovation financial service product of Lujiazui Forum 2024, and the company also participated in the establishment of the Hubei Changjiang Jiaoying New Venture Capital Fund, which helped strengthen its sci-tech finance characteristics. New green bond investment in the primary market amounted to 1.465 billion, increasing by 28.73% year-on-year, reflecting the company's commitment to green finance. The company released the pension service trust plan: "Caring for Yourself Wisely while Honouring the Future", so as to enrich its pension financial services. It also implemented the first expressway Electronic Toll Collection (ETC) prepaid fund service trust in China to solve the problem of ETC handling for freight vehicles. The sustainable charitable trust "Jiaoyin Guoxin•Tanxiang Care Social Charity Trust" was established, and a total of 28 charitable trusts were launched throughout the year to support rural revitalisation. Each of these trusts adheres to the principle of "trusts for the common good and trusts for the people", and they have been designed to serve people's needs for a better life.

Bank of Communications Schroder Fund Management Co., Ltd. The company was set up in August 2005 with a registered capital of 0.2 billion. It was jointly contributed by the Bank, Schroder Investment Management Limited and China International Marine Containers (Group) Co., Ltd., with the shares accounting for 65%, 30% and 5% respectively. The primary businesses include fund raising, fund sales and asset management. As at the end of the Reporting Period, the company's total assets were 8.384 billion, with an increase of 7.72% on a year-on-year basis, and net assets were and 7.135 billion, with an increase of 6.41% on a year-on-year basis, and the public fund under management reached 537.4 billion. The company's net profit during the Reporting Period was 0.879 billion.

The company continued to strengthen its investment and research capabilities. By focusing on customer needs and leveraging its own investment and research strengths, it formed a product system with clear risk return characteristics featuring equity investment, multi asset investment, fixed income investment, investment advisory strategy and other fields. In this way, it is building a first-class boutique fund company that upholds high-quality development and helping the Group deepen its wealth finance characteristics. During the Reporting Period, the company accelerated the deployment of passive index products to meet customers' asset allocation needs. Broad base index products of the company were included in the name of personal pension products and pension Y shares were added, making business preparations for pension finance and inclusive finance.

BOCOM Wealth Management Co., Ltd. As a wholly owned subsidiary of the Bank, the company was set up in June 2019 with a registered capital of 8.0 billion. It primarily issues wealth management products of fixed income, equity, commodities, financial derivatives and hybrid categories to customers. During the Reporting Period, the company adhered to the customer-centric and investor-oriented principles and adjusted the focus of product design and issuance in a timely manner. The company actively expanded consignment agencies outside the Bank, and the balance of products sold under consignment outside the Bank reached 931.634 billion, accounting for 57.58% of the balance of products. The company has preliminarily established an open and diversified omni-channel system with the Bank as the main body. As at the end of the Reporting Period, the balance of wealth management products increased by 31.39% over the end of the previous year to 1,617.970 billion; The company's total assets and net assets were 14.716 billion and 14.055 billion respectively. The company's net profit during the Reporting Period was 1.339 billion, indicating an increase of 8.02% on a year-on-year basis.

During the Reporting Period, the company full leveraged its licences and professional advantages, consolidated its position as a main supplier of wealth management products for the parent bank, and continued to enhance its value contribution to help the Group strengthen its wealth finance characteristics. As at the end of the Reporting Period, the Bank sold corporate wealth management products of 686.335 billion on a commission basis, representing an increase of 20.65% over the end of the previous year. During the year, the company improved the intra-group asset investment synergy mechanism, thereby effectively enhancing synergy and efficiency and raising customer loyalty. During the Reporting Period, the company participated in the bidding process for 927 bonds in the primary market that were recommended by the Bank, with a total bidding amount of 52.736 billion, increasing by 189% year-on-year. In collaboration with the Group, investment in non-standard assets reached 72.7 billion, increasing by 12.72% year-on-year.

BOCOM MSIG Life Insurance Company Limited. The company was set up in January 2010 with a registered capital of 5.1 billion, of which the Bank and the MS&AD Insurance Group contributed 62.50% and 37.50% shares respectively. The business scope includes life insurance, health insurance, accident insurance and reinsurance businesses of the aforementioned insurances in Shanghai as well as regions where its branches were established. As at the end of the Reporting Period, the company's total assets and net assets were 163.891 billion and 5.825 billion respectively. During the Reporting Period, the company focused on its main business – insurance – firmly followed the high-quality development path, took multiple measures to improve its core competitiveness, and achieved a cumulative income of 2.212 billion from insurance services, increasing by 52.72% year-on-year. Meanwhile, operating revenue was 7.955 billion, increasing by 31.63% year-on-year; and net profit was 1.022 billion, increasing by 249.70% year-on-year.

During the Reporting Period, the company continued to strengthen strategic coordination with the Group and cultivate three business characteristics: inclusive finance, pension finance and wealth finance. In terms of inclusive finance, the company continued to expand the coverage of inclusive life insurance, offering service items for nearly 160,000 customers annually and covering 240,000 people cumulatively at the end of the year. In terms of pension finance, the company further enriched its offerings of personal pension insurance products and achieved full coverage for three types of insurance products: personal pensions, exclusive commercial pension insurance and commercial pension annuity insurance products. In terms of wealth finance, the company focused on insurance funds and insurance fund trusts, for the purpose of offering life insurance to fulfil customers' wealth preservation and wealth inheritance needs and better meeting the growing demand for insurance guarantees and wealth management among middle- and high-end customers.

BOCOM Financial Asset Investment Co., Ltd. As a wholly-owned subsidiary of the Bank, it was set up in December 2017 with a registered capital of 15.0 billion. As one of the first pilot banks to implement debt-to-equity swap as determined by the State Council, it is mainly engaged in debt-to-equity swap and supporting services. At the end of the Reporting Period, the company's total assets amounted to 71.534 billion and net assets amounted to 26.042 billion. The net profit of the company reached to 2.429 billion, representing an decrease of 22.27% on a year-on-year basis. Profit decreased during the year mainly due to investment projects launched by the company and the realisation of profit through large-scale withdrawals in the same period last year. There was no similar one-off event during the Reporting Period.

During the Reporting Period, the company added 37 new investments in debt-to-equity swap projects amounting to 18.608 billion. At the same time, the company continuously deepened the collaboration with the Group and strengthened the close cooperation with existing customers thereby improving overall returns and setting a good example. The company actively responded to the equity investment pilot expansion policy for AICs, and closely coordinated with the Group to quickly promote fund establishment and enlarge project reserves. As at the end of the Reporting Period, full coverage of contracted funds was achieved in 18 cities, and the number and scale of pure equity projects continued to represent leading positions in the industry.

BOCOM International Holdings Company Limited. The company was set up in June 1998 (formerly known as Communications Securities Co., Ltd. It changed its name to BOCOM International Holdings Company Limited in May 2007). It was listed on the main board of Hong Kong Stock Exchange on 19 May 2017. The main businesses include securities brokerage and margin financing, corporate financing and underwriting, asset management and consulting, investment and loan. As at the end of the Reporting Period, the Bank contributed 73.14% shares of the company. During the Reporting Period, the company focused its main business and responsibilities, endeavored to reduce operating losses and continuously promoted the transformation of its operating structure. At the end of the Reporting Period, the company had total assets of HKD14.515 billion and net assets of HKD0.883 billion. During the Reporting Period, the company's loss decreased year-on-year, with a net loss of HKD1.231 billion.

China BoCom Insurance Co., Ltd. As a wholly-owned subsidiary of the Bank, it was set up in November 2000 with a registered capital of HKD0.4 billion. The main business includes the operation of 17 types of general insurances approved by the Insurance Authority of Hong Kong. At the end of the Reporting Period, the company had total assets of HKD0.993 billion and net assets of HKD0.572 billion. During the Reporting Period, the company realised a net profit of HKD6.78 million, representing a year-on-year increase of 158%; For the 11th consecutive year, it was awarded the "A-level" (excellent) financial strength rating and the "A-level" (excellent) long-term issuer credit rating by the international professional rating agency of the insurance industry – AM Best – and the outlook for both ratings was "stable".

During the Reporting Period, the company worked closely with the Group, actively served national strategies, and promoted the high-quality development of its insurance business. The company made new records, with underwriting profit reaching to HKD0.301 billion and growing in two dimensions (before and after expenses). It actively served the risk guarantee needs of Hong Kong residents in terms of residence, travel, commerce and trade, and provided risk management support for science and innovation-oriented small and medium-sized enterprises (SMEs) in Hong Kong; it also assisted in providing insurance guarantees for offshore wind power, new energy vehicles, photovoltaics and other fields; and cooperated with the insurance industry in the Chinese Mainland to assist in reinsurance arrangements for planting, breeding and forestry in the field of "agriculture, rural areas and farmers".

6. Global Service Capabilities

- The Group has formed an offshore business network covering major international financial centres and spanning five continents. During the Reporting Period, overseas banking institutions achieved a net profit of 10.389 billion, a year-on-year increase of 95.36%, accounting for 11.10% of the Group's net profit. At the end of the Reporting Period, the total assets of overseas banking institutions were 1,266.251 billion, accounting for 8.50% of the Group's total assets.

(1) Internationalisation development

The Group actively responded to changes in internal and external situations, carried out operation and management in a stable and orderly manner, consolidated the advantages of global development, continued to optimise the development structure, and coordinated development and security. In November 2024, the Dubai International Financial Centre Branch was established, and the layout of Bank of Communications in countries and regions jointly building the "Belt and Road" was further improved. The Group provided financial services for Chinese enterprises that comply with the national strategy of "going global", actively built a financial bridge connecting inside and outside, and served the new pattern of high-level opening up of the country.

(2) International settlement and trade financing

The Group actively supported the stabilisation of foreign investment and foreign trade. The Group innovated and optimised the cross-border settlement business of the Silk Road e-commerce/cross-border e-commerce platform and supported the foreign trade micro merchants of e-commerce platforms such as Amazon to realise export collection based on electronic transaction information. Foreign related letters of guarantee supported domestic enterprises to steadily "going global" and jointly built the "Belt and Road". During the Reporting Period, the business volume of issuing foreign-related letters of guarantee increased by 99.37% year on year, of which the business volume of foreign-related letters of guarantee to countries and regions along the "Belt and Road" increased by 115.10% year on year. 24 new foreign trade projects were launched in total, with a year-on-year growth of 40.08%. The Group improved scene financial service level, created a financial solution for the "Smart Exchange Train" scenario, and provided a package of services such as automatic declaration, invoice matching, exchange rate management, and financing support. The Group realised the policy requirements of cross-border investment and financing facilitation, upgraded and promoted the "capital steward" capital project digital service, with the business volume increased by 54.66% year on year. New small currency businesses such as Brazilian real, Hungarian forint and Polish zloty were added to promote the upgrading of exchange rate hedging service system and continue to improve the quality and efficiency of financial services for foreign trade enterprises. During the Reporting Period, the Bank's international settlement volume was US$512.499 billion, increasing by 0.56% year on year.

(3) Overseas service network

The layout of offshore service network was progressing steadily. As at the end of the Reporting Period, the Group had 24 overseas branches and representative offices in Hong Kong, New York, London, Singapore, Tokyo, Frankfurt, Luxembourg and Sydney, with 66 overseas operating outlets (excluding representative offices) providing customers with comprehensive financial services such as deposits, loans, international settlements, trade finance and foreign exchange, etc.; The Group had established an overseas service network with the head offices of 1,073 banks in 131 countries and regions, and opened 202 cross-border RMB accounts for 94 overseas RMB participating banks in 30 countries and regions, A total of 112 foreign currency clearing accounts in 29 currencies were opened in 65 banks in 32 countries and regions.

(4) Free trade zone and cross-border RMB business

The Group steadily, prudently and solidly promoted the internationalization of RMB. Also, the Group promoted pilot project of cross-border asset transfer innovation business. The Seoul Branch purchased domestic asset-backed securities held by BOCOM Wealth Management Co., Ltd., which was the first financial innovation launched after the introduction of the *National Overall Plan for Comprehensively Connecting International High Standard Economic and Trade Rules to Promote the High level Institutional Opening of China (Shanghai) Pilot Free Trade Zone*. BOCOM Financial Leasing Co., Ltd. is the first offshore RMB ship finance leasing product in the financial leasing industry. During the Reporting Period, the cross-border RMB settlement volume of domestic banking institutions was 1.94 trillion, increasing by 2.15% year on year.

The Group actively served the construction of the free trade zone. The Group built a "investors+underwriters+trustees+clearing banks+settlement banks" five in one FTZ offshore bond comprehensive financial service system, ranking first in the clearing market. The Group launched a multi-functional free trade account (EF) in Hainan Free Trade Port and Hengqin Guangdong Macao Deep Cooperation Zone and provided capital settlement for customers to issue RMB bonds in Hong Kong through Hainan Free Trade Port EF, enriching the cross-border fund settlement application scenarios of EF accounts. The Group made full use of the policy advantages of Hainan Free Trade Port, docked with the cross-border asset transfer platform of Shanghai Bill Exchange, and actively carried out cross-border asset transfer business. The Group promoted the implementation of two "30" financial innovation policies in Hengqin and Qianhai Free Trade Zone.

(5) Offshore services

The Group deepened the integrated development of offshore and onshore business and the integrated operation of non-resident accounts, and fully tapped the business potential of the Yangtze River Delta integration and the new Lingang area of the Shanghai Free Trade Zone. At the end of the Reporting Period, the asset balance of offshore business amounted to USD12.708 billion.

BoCom – HSBC Strategic Cooperation

2024 coincided with the 20th anniversary of the strategic partnership between the Bank and HSBC. Over the past 20 years, based on a solid equity cooperation bond and adhering to the concept of mutual benefit and win-win cooperation, the two sides worked together to improve the cooperation mechanism and achieved fruitful results in corporate governance, business collaboration, resource and experience sharing, etc. In accordance with the principle of marketization, the Bank and HSBC shared domestic and overseas resources, steadily promoted cooperation in various business fields under the unified framework of "1+1 global financial services", provided customers with comprehensive cross-border financial services, and made every effort to serve the new development pattern of "Dual Circulation" and high-level opening up to the outside world. In the past decade, the total amount of overseas syndicated and bond issuance projects of the two sides reached 460 billion dollars.

During the Reporting Period, the Bank and HSBC continued to follow the principle of equal priority and complementary advantages and maintained a good cooperation trend. Taking the 20th anniversary of cooperation as an opportunity, the senior management of both sides further communicated and exchanged closely, jointly held a forum to commemorate the 20th anniversary of cooperation, and worked together to further improve the effectiveness of cooperation at a new starting point; The Bank and HSBC convened the regular meeting of the Executive Chairman to provide top-level support for deepening the cooperation between the two sides and determine the priorities and goals of cooperation. The share of regular business cooperation continued to increase. There were 12 cooperative syndicated loans in Hong Kong with a total amount of 9.8 billion US dollars, including 7 loans related to sustainable development; The amount of cooperative bond issuance in Hong Kong was 43.8 billion US dollars, representing an increase of 24% year on year; The scale of custody cooperation continued to increase, and cross-border RMB settlement, asset management and financial market business cooperation continued to advance. Under the framework of "Resources and Experience Sharing (RES)", the two sides closely focused on the "five priorities" of finance, carried out in-depth exchanges around key issues such as science and technology finance, green finance, trade finance, etc., promoted the transformation of exchange results, and provided useful reference for the operation and development of both sides.

In the future, the two sides will take the high-level opening of the financial industry as an opportunity to expand cooperation fields and innovate cooperation models based on the good cooperation of the past 20 years. The two sides will work together to promote "five priorities" of finance, serve the development of new quality productivity, create a pilot field for cooperation in science and technology finance and green finance, continue to expand the brand influence of "1+1 global financial services", and jointly promote the cooperation between the two sides to achieve further success and achieve stability.

7. *Channel construction*

- Promoting digital transformation from the customers' perspective. The Bank constantly improved the service level of its online financial platform by using financial technologies, focusing on government affairs, medical care, transportation, education, and other key scenarios. It promoted cross-channel collaborative operations and services to meet the multi-level financial service needs of customers.

(1) Corporate online banking and corporate mobile banking

To promote the development of professional services and diversified non-financial services, during the Reporting Period, the Bank continued to improve electronic channels for corporate banking services, and it implemented trade finance services in corporate online banking and inclusive services in corporate mobile banking. During the Reporting Period, the new portal of enterprise online banking international business and the inclusive special edition 2.0 of enterprise mobile banking were upgraded and released to improve customer experience and service efficiency through digital means. As at the end of the Reporting Period, the number of contracted customers of corporate online banking (bank-corporate direct link) increased by 10.62% over the end of the previous year, and the number of customers of corporate mobile banking and transaction that conducted trades within the year increased by 8.40% on a year-on-year basis; the number of contracted customers of corporate mobile banking increased by 11.36% over the end of the previous year, the annual cumulative customers of corporate mobile banking and transaction volume increased by 6.87% on a year-on-year basis.

(2) Personal mobile banking

Holding the philosophy of "Inclusive, Sufficient and Ease to use" and the theme of "understanding wealth, enjoying life", the Bank launched Personal Mobile Banking Ver. 9.0. The new version continued to deepen wealth management and life services, bringing customers a more heart-warming financial service experience. The Bank launched "wealth planning" tool and provide asset allocation function across a major asset classes based on "one household, one policy". The bank upgraded the functions for payment and launched the payment brand "BOCOM Easy Pay", practiced green and low-carbon concept and created the equity brand of "Carbon Star Glory"; gathered local characteristics and launched the "BOCOM Welfare Season • Cultural Tourism Season" activity. As at the end of the Reporting Period, the number of monthly active users (MAU) for personal mobile banking was 55.4084 million, an increase of 12.84% over the end of the previous year.

(3) Go Pay APP

The Bank upgraded and released Version 9.0 of Go Pay – BoCom's official credit card APP, and it launched an English version simultaneously to improve services for overseas individuals. The Bank obtained multiple authoritative certifications, such as the mobile internet application (app) security certification. Based on the native commercial operating system HarmonyOS, the Bank launched the HarmonyOS version of Go Pay. This version of Go Pay, which seamlessly connects with the HarmonyOS ecosystem, marks the first HarmonyOS credit card APP in the industry. As at the end of the Reporting Period, the cumulative number of registered customers of the APP amounted to 79.5720 million, and the number of monthly active users (MAU) was 28.4094 million. In 2024, the Go Pay APP won the "Annual Consumer Finance Innovation Award" and the HarmonyOS Pioneer "Ecological Contribution Award".

(4) Open Banking

With the development trends of the digital economy, the Bank focused on areas such as government administration, production and operation, consumer consumption to enhance the capability of digital financial services to support the real economy. The Bank established a financial ecosystem cloud platform, enriching the "industry + finance" SaaS services that could be ready to use out of the box, focusing on key scenarios and important industries, and creating a matrix of financial ecosystem cloud services to continuously enrich the scenarios of the digital financial ecosystem. At the end of the Reporting Period, the Bank opened a cumulative total of 5,805 interfaces, with over 6.6 billion calls, and a total of 13 financial ecological cloud services have been released, with 59,200 institutional users. During the Reporting Period, 306.142 billion financing amount was collected through online chain financial service of open banking, increasing by 45.04% year on year.

(5) BOCOM On-cloud

During the year, the Bank continuously promoted its "BOCOM On-cloud" brand and pursued innovation in the application of audio and video technologies. By offering screen-to-screen online services, the Bank enabled the development of online institutions, employees, services, and products, breaking through the physical and temporal barriers of traditional banking business. The Bank developed an innovative model for new banking services and improved the availability of and satisfaction offered by financial services. During the Reporting Period, the BOCOM On-cloud remote video outlet provided 1.98 million services, reflecting growth of 2.3 times from the previous year.

The Bank continuously improved the featured services of new media channels such as "BoCom" WeChat Mini Program, "BoCom Loans" WeChat Mini Program and Cloud BoCom to strengthen cross-channel collaboration capability and highlight the value contribution of new media channels. As at the end of the Reporting Period, customers served by "BoCom" WeChat Mini Program increased by 33.64% over the end of the previous year to 48.6731 million; customers served by "BoCom Loans" WeChat Mini Program increased by 124.46% over the end of the previous year to 8.5694 million; customers served by Cloud BoCom amounted to 9.7847 million, an increase of 31.92% over the end of last year.

8. FinTech and Digital Transformation

- The Bank seized opportunities and prioritized security, leveraged data elements and digital technologies as key drivers, adhered to a unified blueprint throughout implementation, advanced digital transformation of the new Bank of Communications, enhanced and strengthened digital finance, and promoted the coordinated development of the "five priorities" of finance.

- During the Reporting Period, the Bank invested 11.433 billion in fintech, representing a year-on-year decrease of 4.94%; it was 5.41% of operating revenue, and decreased by 0.23 percentage point year-on-year. At the end of the Reporting Period, the Group had 9,041 fintech employees, representing an increase of 15.70% from the end of the previous year, and accounting for 9.44% of the Group's total number of employees, which represents an increase of 1.15 percentage points from the end of the previous year.

(1) Building a barrier for safe development with bottom line thinking

The Bank strengthened the basic resource guarantee of business continuity and accelerated the construction of Remote Data Centres in Horinger and Gui'an, strengthened the construction of the disaster recovery system, carried out the disaster recovery drill of taking over the business, and effectively improved the disaster recovery capability. The Bank continued to strengthen the Group's integrated security management and Group's unified network security system architecture and management and control strategy, improved the whole process management system of data security pre assessment, in-process management and control, and post inspection, and continuously enhanced data security risk monitoring and emergency response capabilities. The Bank strengthened the core technology, actively and steadily promoted the distributed transformation of core systems, and promote both business support and independent and controllable capabilities.

(2) Leading the Development of New Quality Productivity with Technological Innovation

The Bank strengthened data governance and integrated applications, fully establishing an enterprise-level data middle platform to achieve data visualisation and platformisation, and online queries for key operational indicators, supporting business decision-making. By actively collaborating with the National Credit-Based Financing Platform and regional big data institutions, the Bank advanced the integrated application of internal and external data using blockchain and privacy-preserving computation technologies, empowering financial product innovation as well as proactive customer credit granting and precise outreach. During the year, BoCom successfully passed the level 5 (highest) certification of the national Data Management Capability Maturity Model (DCMM).

The Bank forged a new AI-driven identity by releasing the Bank of Communications "AI+" Action Plan (2025-2026), constructing a "1+1+N" AI development framework: solidifying 1 enterprise-level AI capability platform, perfecting 1 AI governance mechanism, and enabling N AI application scenarios. The Bank built a thousand-card heterogeneous computing cluster primarily using domestically-produced GPU servers, created a trillion-parameter financial large model algorithm matrix, completed over 100 scenario implementations combining large and small models, and were selected as one of Shanghai's first "Modeling Shanghai" industry application demonstration bases. Throughout the year, these efforts freed up over 1,000 manpower workloads and delivered significant results in anti-money laundering, anti-fraud, customer service, and centralized operations.

(3) Driving Business Model Transformation and Service Efficiency Enhancement with a Digital Mindset

The Bank promoted the deep integration of digital finance and the real economy, focusing on advancing the "five priorities" of finance "to continuously enrich our "Digital+" product offerings and strengthen an innovative service ecosystem. The Bank iteratively developed products and services such as "BoCom Sci-tech Innovation", "Huimin Credit", "Benefit Business Loan", and the "BOCOM Salary Connect," "Cloud Interbank," and BOCOM On-cloud,", leveraging data element applications and technology integration to enhance the convenience and competitiveness of financial services, thereby better benefiting the public and improving livelihoods. The Bank further optimised digital operational management efficiency by deepening business process reengineering, scaling the deployment of digital employees, upgrading intelligent digital platform tools, and enhancing employees' digital capabilities to empower efficiency gains and reduce workloads. The Bank's digital risk control project, which applied AI technologies to build a Group-wide integrated comprehensive risk management system, was awarded the First Prize in the 2023 People's Bank of China FinTech Development Award.

(4) Strengthen the scientific and technological governance of the group through systematic planning

The Bank deepened the reform of the digital financial system and mechanisms, completed the optimisation and adjustment of the financial technology structure and functions at the head office, integrating the Digital Finance Committee from former FinTech and Product Innovation Committee and Digital Governance Management Committee (Financial Statistics Standardization) under the senior management to strengthen decision-making and organizational coordination for major digital finance initiatives. The Bank promoted a holistic approach to technology management across the group, enhanced centralized oversight of security and architecture, established a unified group-wide product catalog, and improved the efficiency of technology governance. The Bank intensified efforts to recruit talent, deepened the integration and collaboration between business and technology, and elevated digital literacy and strategic awareness across the entire organization.

(III) Risk Management

The Board of Directors established the overall risk appetite of "Stability, Balance, Compliance and Innovation" for the Bank and set specific risk limit indicators against various risks, including those related to credit, markets, operations, liquidity, interest rates of the banking book, information technology and countries, to exercise strict control over various types of risk. During the Reporting Period, the Group consistently adhered to bottom-line thinking, integrated development and safety, strengthened its unified risk management, continued to consolidate asset quality, improved risk management in key areas, continuously enhanced its comprehensive risk management capabilities, and engaged in effective management to promote the high-quality development of the entire bank.

1. Risk Management Framework

The Board of Directors of the Bank assumes ultimate responsibility and the highest decision-making authority in respect of risk management, and it controls the Bank's risk conditions through the subordinate Risk Management and Related-Party Transaction Control Committee. The Bank's senior management has established the Comprehensive Risk Management and Internal Control Committee, as well as two business review committees: the Credit Review Committee and the Risk Asset Review Committee. The business review committees are guided by and report regularly to the Comprehensive Risk Management and Internal Control Committee. Based on the aforementioned framework, each provincial branch, directly managed branch, overseas branch and subsidiary has established its own Comprehensive Risk Management and Internal Control Committee, which serves as the main organisation for studying how to prevent and control the Group's systematic and regional risks and support risk management decision-making on major issues. In this way, a comprehensive risk management system has been implemented that covers the entire Group.

2. *Risk Management Tools*

During the year, the Bank continued to promote the digital transformation of risk management; being a market-oriented, customer-oriented and grassroots oriented Bank, the Bank focused on the current "new requirements for internal management, new situations for external supervision, and new breakthroughs in technology application"; and remained committed to building a full-process and full-coverage digital risk management system, building a solid bank-wide risk database, building enterprise-level risk management applications, strengthening the sharing and reuse of risk control capabilities, and enhancing risk management intelligence. During the Reporting Period, the Bank further promoted the construction of the Risk Measurement Centre, strengthened its suite of risk management tools, such as measurement models for strategic areas and risk monitoring, and continuously enhanced the Group's risk measurement and monitoring capabilities. In particular, model risk management was strengthened to ensure a smooth transition under the new capital regulations.

3. *Credit Risk Management*

During the Reporting Period, the Bank continued to strengthen centralised credit risk management. The Bank actively served the real economy, optimised the structure of credit assets, vigorously developed the green finance, and adopted the structural monetary policy tools (such as the special refinancing) to support key areas such as carbon emission reduction, clean and efficient use of coal, transportation and logistics, scientific and technological innovation, inclusive pensions, equipment renovation, and "guaranteed delivery of houses". The Bank continuously optimised the framework of its credit granting policy, proactively implemented major national strategies and regulatory requirements, closely tracked market changes, and expanded the coverage of special strategic guidance on the basis of the outline of the credit granting and risk policy, the guidelines on industry investment, and the "one policy for one bank" principle. The Bank continued to improve the degree of online and automation in the credit approval process, completed docking with the unified registration and publicity system for the financing of movable property in the Credit Information Centre of the PBOC, and started the promotion of online real estate mortgage registration throughout China, enabling the "cross-provincial registration" of mortgage loans in many cities across the country. Risk classification became more sophisticated as the asset quality steadily improved.

The Bank continued intensification of the collection of non-performing assets, focusing on key areas to bring into play the professional disposal capabilities of Head Office to steadily and orderly dispose of the risk exposures in significant items, and strive to improve the quality and efficiency of non-performing assets collection and disposal. During the Reporting Period, the disposal of non-performing loans reached 66.67 billion, with an increase of 3.0% over the end of the previous year, of which the substantial recovery amount was 30.38 billion.

The Bank adheres to the regulatory requirements and maintains strict asset risk classification standards. The foundation of asset quality has been continuously strengthened and the level of asset quality has improved steadily. At the end of the Reporting Period, the Group's non-performing loan balance amounted to 111.677 billion and the non-performing loan ratio was 1.31%, representing an increase of 5.989 billion and a decrease of 0.02 percentage point respectively compared with the end of the previous year; and the percentage of overdue loan balance increased compared with the beginning of the year, with the proportion unchanged. The Group adopts prudent classification criteria for overdue loans. Domestic corporate loans overdue for more than 60 days have been included in non-performing loans and all loans overdue for more than 90 days have been included in non-performing loans, with loans overdue for more than 90 days accounting for 67.79% of non-performing loans.

Distribution of loans by five categories of loan classification

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023		31 December 2022	
	Amount	**Proportion (%)**	Amount	Proportion (%)	Amount	Proportion (%)
Pass loan	**8,309,109**	**97.12**	7,731,141	97.16	7,091,355	97.21
Special mention loan	**134,336**	**1.57**	120,256	1.51	105,084	1.44
Total performing loan balance	**8,443,445**	**98.69**	7,851,397	98.67	7,196,439	98.65
Sub-standard loan	**31,100**	**0.37**	28,523	0.36	40,465	0.55
Doubtful loan	**24,066**	**0.28**	32,383	0.41	33,257	0.46
Loss loan	**56,511**	**0.66**	44,782	0.56	24,804	0.34
Total non-performing loan Balance	**111,677**	**1.31**	105,688	1.33	98,526	1.35
Total	**8,555,122**	**100.00**	7,957,085	100.00	7,294,965	100.00

Distribution of special mention loans and overdue loans by business type

(in millions of RMB unless otherwise stated)

	31 December 2024				31 December 2023			
	Special mention loan balance	**Special mention loan ratio (%)**	**Overdue loan balance**	**Overdue loan ratio (%)**	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)
Corporate loans	**92,705**	**1.67**	**59,266**	**1.06**	89,192	1.72	62,273	1.20
Personal loans	**41,631**	**1.51**	**58,821**	**2.14**	30,939	1.25	47,832	1.93
Mortgage	**14,266**	**0.97**	**17,535**	**1.20**	9,875	0.68	12,236	0.84
Credit cards	**22,958**	**4.26**	**28,522**	**5.30**	18,673	3.81	28,061	5.73
Personal business loans	**2,175**	**0.53**	**6,871**	**1.66**	903	0.26	3,425	1.01
Personal consumption loans and others	**2,232**	**0.67**	**5,893**	**1.77**	1,488	0.84	4,110	2.32
Discounted bills	**0**	**0.00**	**11**	**0.00**	125	0.04	16	0.01
Total	**134,336**	**1.57**	**118,098**	**1.38**	120,256	1.51	110,121	1.38

The balance of corporate overdue loan was 59.266 billion, representing a decrease of 3.007 billion over the end of the previous year. The overdue ratio was 1.06%, representing a decrease of 0.14 percentage point over the end of the previous year. The balance of personal overdue loan was 58.821 billion, representing an increase of 10.989 billion over the end of the previous year. The overdue loan ratio was 2.14%, representing an increase of 0.21 percentage point over the end of the previous year.

Distribution of loans and non-performing loans by business type

(in millions of RMB unless otherwise stated)

	31 December 2024				31 December 2023			
	Loans	**Proportion (%)**	**Non-performing Loan**	**Non-performing loan ratio (%)**	Loans	Proportion (%)	Non-performing Loan	Non-performing loan ratio (%)
Corporate loans	**5,566,578**	**65.07**	**81,838**	**1.47**	5,179,533	65.09	85,549	1.65
Personal loans	**2,752,406**	**32.17**	**29,827**	**1.08**	2,473,100	31.08	20,123	0.81
Mortgage	**1,466,604**	**17.14**	**8,509**	**0.58**	1,462,634	18.39	5,462	0.37
Credit cards	**538,404**	**6.29**	**12,590**	**2.34**	489,725	6.15	9,385	1.92
Personal business	**413,626**	**4.83**	**4,986**	**1.21**	342,198	4.30	2,685	0.78
Personal consumption loans and others	**333,772**	**3.91**	**3,742**	**1.12**	178,543	2.24	2,591	1.45
Discounted bills	**236,138**	**2.76**	**12**	**0.01**	304,452	3.83	16	0.01
Total	**8,555,122**	**100.00**	**111,677**	**1.31**	7,957,085	100.00	105,688	1.33

Distribution of loans and non-performing loans by industry

(in millions of RMB unless otherwise stated)

	31 December 2024				31 December 2023			
	Loans	Proportion (%)	Non-performing Loan	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing Loan	Non-performing loan ratio (%)
Corporate loans	**5,566,578**	**65.07**	**81,838**	**1.47**	5,179,533	65.09	85,549	1.65
Transportation, storage and postal services	**985,091**	**11.50**	**3,179**	**0.32**	905,624	11.38	5,460	0.60
Manufacturing	**1,053,309**	**12.31**	**15,068**	**1.43**	954,586	12.00	18,753	1.96
Leasing and commercial services	**948,410**	**11.09**	**6,754**	**0.71**	866,601	10.89	6,030	0.70
Real estate	**527,675**	**6.17**	**25,612**	**4.85**	489,080	6.15	24,403	4.99
Water conservancy, environmental and other public facilities	**467,212**	**5.46**	**2,816**	**0.60**	466,137	5.86	4,173	0.90
Production and supply of electric power, heat, gas and water	**456,439**	**5.34**	**2,675**	**0.59**	391,742	4.92	3,098	0.79
Wholesale and retail trade	**289,006**	**3.38**	**8,576**	**2.97**	292,168	3.67	7,883	2.70
Construction	**210,582**	**2.46**	**2,482**	**1.18**	188,716	2.37	2,639	1.40
Finance	**144,878**	**1.69**	**1,081**	**0.75**	159,183	2.00	1,870	1.17
Education, science, culture and public health	**151,490**	**1.77**	**4,641**	**3.06**	141,254	1.78	4,116	2.91
Mining	**123,059**	**1.44**	**986**	**0.80**	116,467	1.46	1,071	0.92
Others	**86,090**	**1.01**	**654**	**0.76**	88,640	1.11	437	0.49
Information transmission, software and information technology services	**89,510**	**1.05**	**1,697**	**1.90**	81,176	1.02	1,164	1.43
Accommodation and catering	**33,827**	**0.40**	**5,617**	**16.61**	38,159	0.48	4,452	11.67
Personal loans	**2,752,406**	**32.17**	**29,827**	**1.08**	2,473,100	31.08	20,123	0.81
Discounted bills	**236,138**	**2.76**	**12**	**0.01**	304,452	3.83	16	0.01
Total	**8,555,122**	**100.00**	**111,677**	**1.31**	7,957,085	100.00	105,688	1.33

The Group continued to strengthen its financing support for the real economy. The loan balance of production and supply of electric power, heat, gas and water industry increased by 64.697 billion, or 16.52% over the end of the previous year; and manufacturing industry loans increased by 98.723 billion, or 10.34%, and leasing and commercial services industry loans increased by 81.809 billion, or 9.44%, compared with the end of last year; transportation, storage and postal services industry loans increasing by 79.467 billion, or 8.77%, compared with the end of last year.

Distribution of loans and non-performing loans by region

(in millions of RMB unless otherwise stated)

	31 December 2024				31 December 2023			
	Loans	**Proportion (%)**	**Non-performing Loan**	**Non-performing loan ratio (%)**	Loans	Proportion (%)	Non-performing Loan	Non-performing loan ratio (%)
Yangtze River Delta	**2,432,084**	**28.43**	**24,213**	**1.00**	2,226,422	27.98	20,582	0.92
Pearl River Delta	**1,115,864**	**13.04**	**14,704**	**1.32**	1,051,204	13.21	12,214	1.16
Bohai Rim Economic Zone	**1,406,292**	**16.44**	**14,279**	**1.02**	1,288,078	16.19	16,472	1.28
Central China	**1,370,600**	**16.03**	**14,535**	**1.06**	1,290,880	16.22	13,311	1.03
Western China	**1,024,200**	**11.97**	**8,989**	**0.88**	947,510	11.91	9,443	1.00
North Eastern China	**274,860**	**3.21**	**8,902**	**3.24**	265,215	3.33	11,221	4.23
Overseas	**329,666**	**3.85**	**13,459**	**4.08**	359,446	4.52	13,053	3.63
Head office	**601,556**	**7.03**	**12,596**	**2.09**	528,330	6.64	9,392	1.78
Total	**8,555,122**	**100.00**	**111,677**	**1.31**	7,957,085	100.00	105,688	1.33

Note: Head Office included the Pacific Credit Card Centre.

The Group implemented differentiated policies of "one policy for one bank" to make dynamic adjustments to business authorisation based on regional economic traits.

Overdue loans and advances

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
Overdue Period	**Amount**	**Proportion (%)**	Amount	Proportion (%)
Within 3 months	**42,389**	**0.50**	41,727	0.52
3 months to 1 year	**35,685**	**0.42**	34,927	0.44
1 to 3 years	**31,131**	**0.36**	26,820	0.34
Over 3 years	**8,893**	**0.10**	6,647	0.08
Total	**118,098**	**1.38**	110,121	1.38

As at the end of the Reporting Period, the balance of overdue loans was 118.098 billion, representing an increase of 7.977 billion over the end of the previous year. The overdue ratio was 1.38%, remaining unchanged from the end of the previous year. The balance of loans overdue for over 90 days was 75.709 billion, representing an increase of 7.315 billion over the end of the previous year.

Restructured loans

(in millions of RMB unless otherwise stated)

	31 December 2024		31 December 2023	
	Amount	**Proportion (%)**	Amount	Proportion (%)
Restructured loans	**66,959**	**0.78**	40,836	0.51
Including: Restructured loans overdue over three months	**7,985**	**0.09**	6,306	0.08

Note: Calculated pursuant to regulatory standards.

Loan migration rates

(%)	**2024**	2023	2022
Pass loan migration rate	**1.02**	1.13	1.33
Special mention loan migration rate	**17.04**	24.93	30.75
Sub-standard loan migration rate	**65.85**	60.90	47.71
Doubtful loan migration rate	**66.81**	65.57	42.64

Note: Calculated pursuant to regulatory standards. The data of previous periods has been retroactively adjusted.

Credit risk concentration

As at the end of the Reporting Period, the total loans to the largest single customer of the Group accounted for 5.30% of the Group's net capital, and the total loans to top 10 customers accounted for 20.73% of the Group's net capital. The situation of loans to top 10 single customers as at the end of the Reporting Period is shown below.

(in millions of RMB unless otherwise stated)

	31 December 2024		
	Industry	**Amount**	**Percentage of total loans (%)**
Customer A	Production and supply of electric power, heat, gas and water	80,000	0.94
Customer B	Production and supply of electric power, heat, gas and water	44,999	0.53
Customer C	Leasing and commercial services	35,000	0.41
Customer D	Transportation, storage and postal services	32,746	0.38
Customer E	Transportation, storage and postal services	26,031	0.30
Customer F	Real estate	23,552	0.28
Customer G	Manufacturing industry	19,970	0.23
Customer H	Production and supply of electric power, heat, gas and water	17,132	0.20
Customer I	Transportation, storage and postal services	16,786	0.20
Customer J	Transportation, storage and postal services	16,578	0.19
Total of Top 10 Customers		312,793	3.66

4. *Market Risk Management*

Market risk refers to the risk of losses of on – and off-balance sheet business activities of the Bank arising from unfavourable changes in interest rates, exchange rates, commodity prices, share prices and other factors. Interest rate risk and exchange rate risk were the major market risks encountered by the Group during the Reporting Period.

The objective of the Group's market risk management is to proactively identify, measure, monitor, control and report market risks in accordance with the risk appetite determined by the Board of Directors; control market risks within tolerable limits through the use of methods and tools such as limit management, risk hedging and risk transfer; and maximise risk-adjusted returns on this basis.

According to the *Administrative Measures for the Capital of Commercial Banks* issued by the National Financial Regulatory Administration and its implementation requirements, for market risk capital measurement, the Group uses the standards-based approach; and during the transition period, the non-bank consolidated subsidiaries and Brazilian sub-branches are using the simplified standards-based approach. The measurement of market risk capital should cover default risk, general interest rate risk, credit spread risk, stock risk in the transaction book of commercial banks, all-book exchange rate risk and commodity risk. The capital measurement results are applied to limit monitoring, performance appraisal, risk monitoring and analysis, etc.

During the Reporting Period, the Group kept improving the market risk management system, enhanced management policies and procedures, optimised the risk management system, strengthened product management, optimised limit setting, and improved derivatives business risk management. The Group closely monitored financial market fluctuations; strengthened market research and judgement, and risk monitoring and warning; enhanced risk assessment and inspection; and strictly controlled various market risk limits to continuously improve market risk management.

5. *Liquidity Risk Management*

Liquidity risk is the risk that occurs when the commercial bank cannot obtain sufficient funds in time and at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet other funding needs in the normal course of business. The main factors affecting the liquidity risk include early withdrawal by deposit customers, deferred repayment by loan customers, mismatch of asset and liability structure, difficulty in asset realisation, decline in financing capability, etc.

The governance structure of the Group's liquidity risk management includes a decision-making body consisting of the Board of Directors and its Special Committees and Senior Management, a supervisory institution consisting of the Board of Supervisors and the Audit and Supervisory Bureau, and an executive institution consisting of the Finance and Management Department, the Financial Markets Department, the Risk Management Department, the Operations and Channels Management Department, the subsidiaries, branches, and the competent authorities in charge of the head office of the various businesses.

The Group determines its liquidity risk appetite and formulates its liquidity risk management strategies and policies each year based on factors such as its business strategy, business characteristics, financial strength, financing ability, overall risk appetite and market influence.

During the Reporting Period, the Group continued to improve its liquidity risk management system, flexibly adjusted its liquidity management strategy and business development structure and tempo when appropriate, and promoted the coordinated development of its asset and liability businesses; expanded diversified financing channels, and issued long-term bonds to supplement and stable funds, performed cash flow measurement and analysis, closely monitored liquidity risk indicators, to ensure daily liquidity safety and smooth operation of the indicators.

The Group regularly launched stress tests for liquidity risk, in which various factors which may affect liquidity situation were given full consideration and stress scenarios were appropriately set up. The results of stress tests showed that the Bank's liquidity risk was within a controllable range under various stress scenarios.

As at the end of the Reporting Period, the table below shows the liquidity ratio indicator of the Group:

	Standard value	**31 December 2024**	31 December 2023	31 December 2022
Liquidity ratios (%)	≥25	**73.34**	64.92	69.76

Note: Calculated according to the regulatory standard of the NFRA.

The daily average liquidity coverage ratio of the Group during the forth quarter of 2024 was 140.69% (intra quarter daily average refers to the simple arithmetic average of daily values in the quarter, and the number of daily values on which the average value is calculated is 92), a decrease of 3.39 percentage points over the last quarter, mainly due to the decrease of qualified high-quality liquid assets. The Group's qualified high-quality liquid assets mainly include cash, reserves deposited in the central bank that can be withdrawn under stress scenarios, and bonds that meet the definition of primary and secondary assets in the *Administrative Measures on Liquidity Risk of Commercial Banks*.

In the third quarter of 2024, the quarter-end net stable funding ratio of the Group was 113.36%, representing an increase of 1.86 percentage points from the previous quarter, mainly due to the increase in financing from financial institutions. In the fourth quarter of 2024, the quarter-end net stable funding ratio of the Group was 113.51%, representing an increase of 0.15 percentage points from the previous quarter, mainly due to the increase in financing from retail and small business customers. For further information on the Group's liquidity coverage ratio and stable funding ratio, please refer to the *Pillar 3 Report on 31 December 2024* published on the official website of the Bank.

6. Other Risk Management

The Group's risk management also includes operational risk management, legal compliance and anti money laundering, reputation risk management, cross-industry cross-border and by-country risk management, management of large exposure risk, climate and environment.

(IV) OUTLOOK

In 2025, the external environment will be more complicated, challenging and uncertain. However, overall, China's economy will continue to improve, and its long-term positive outlook remains unchanged. With various factors supporting the high-quality development of the economy, investment will continue to grow; consumption will steadily improve; and foreign trade will be more resilient. Against this backdrop, banks will see more development opportunities.

The Group will fully implement the decisions and arrangements of the CPC Central Committee and the State Council, adhere to the general principle of seeking progress while maintaining stability, and closely follow the main line of work of "preventing risks, strengthening supervision, and promoting development". To complete the objectives and tasks of the "14th Five-Year Plan" of the Bank of Communications in high quality and lay a solid foundation for a good start to the "15th Five-Year Plan", the Group mainly focused on the following aspects:

I. Realising the "five priorities" of finance. The Group will firmly fulfil the responsibility of serving the main force of the real economy, continue to enrich financial functions, strengthen product services, precisely support the national major strategies, key areas and weaknesses. In addition, the Group will further increase credit supply in science and technology, microenterprises, green, pension industries and other fields, and better serve the sustained recovery and improvement of the economy.

II. Deepening and strengthening the building of "Shanghai Base". The Group will optimise and strengthen the construction of "Shanghai's Base", and give play to the role of Shanghai as a source of innovation and a radiation driver, and accelerate the promotion and application of Shanghai's pilot experience model. The Group will continue to consolidate and improve the advantages of financial market transactions, factor market services, custody business, etc.. In addition, the Group will deeply integrate into the construction of Shanghai International Financial Centre, and improve the competitiveness and visibility of "Shanghai Base".

III. Advance the enhancement of customer foundations. The Group will deepen the implementation of the customer base improvement project, elevate digital capabilities for bulk customer acquisition, and focus on addressing customer pain points while optimising retention mechanisms. The Group will strengthen cross-business engagement and customer loyalty, expand our core customer base, consolidate high-quality clientele, and solidify the foundation for high-quality development.

IV. Continuously enhancing risk management. The Group will resolutely fulfil the political responsibility as the anchor of financial stability, adhere to bottom-line thinking and extreme scenario planning, continuously strengthen the "four-early" capabilities, and effectively prevent and resolve risks in key areas as well as external shocks. In addition, the Group will elevate the management standards for cybersecurity, data security, and system security, build robust security barriers for financial technology, and firmly maintain the bottom line of preventing systemic risks.

V. Comprehensively deepening reform. The Group will promote the implementation of reform projects in key areas such as Digital Operations Centre, construction of Assets Custody Operation Centre localized operation transformation of credit card services, and comprehensive transformation of branch networks. In addition, the Group will make good use of the key step of reformation, stimulating the power and vitality, leveraging high-quality development to better serve Chinese-style modernization.

V. OTHER INFORMATION

1. Human Resource

1. Basic information of Employees

As at the end of the Reporting Period, the Group had a total of 95,746 employees, among which 89,301 employees were based in domestic banking institutions and 2,623 were local employees in overseas branches (sub-branches), and 3,822 were employees of the Bank's subsidiaries (excluding staff dispatched from the Head Office and branches to subsidiaries). The number of retired employees that the Bank had obligation to bear the cost to was 2,297. Among the employees of the Group, 45.02% were male and 54.98% were female. The Bank adhered to equal employment opportunity and equal pay for equal work, as well as paying attention to protect the rights of female employees and eliminating discrimination of any act.

For employees in domestic banking institutions, 25,400 employees held professional technical qualifications, of which 556 employees held senior technical qualifications, accounting for approximately 0.62%. 13,869 employees held intermediate technical qualifications, accounting for 15.53%, 10,975 employees held junior technical qualifications, accounting for 12.29%. The number of employees with master's degree and above was 17,925, accounting for 20.07%. The number of employees with bachelor's degree was 63,468, accounting for 71.07%. The number of employees with associate's degree and below was 7,908, accounting for 8.86%.

2. Employees' Remuneration Policy

The Bank strictly implemented all regulatory requirements for remuneration distribution, focusing on the positive correlation between resource allocation and value creation, ensuring that the salary level is compatible with the business performance after risk adjustment, taking into account fairness and efficiency, guiding institutions to balance current and long-term risks and returns, so as to drive the high-quality development of the Bank. The Bank's remuneration program for FY2024 was formulated in compliance with the relevant laws, regulations and regulatory requirements, and strictly complied with the internal decision-making process and corporate governance procedures, and was filed with the relevant competent authorities in accordance with the regulations. During the Reporting Period, the Bank's economic, risk and social responsibility indicators were well achieved.

In accordance with reform and development requirements, the Bank improved the performance appraisal and remuneration system whereby "salary is determined by post and bonus granted upon performance". The Bank fully considered both the value creation and the principle of maintaining fairness, optimised the allocation of remuneration resources, guided and maximised the value creation of operating units, and improved its ability to pursue high-quality development. In addition, the Bank focused on responsibility, grassroots operations and performance, and was committed to offering positive incentives. In order to improve the incentive constraint mechanism and fully leverage the guiding role of remuneration in operations and management, the Bank formulated and improved the Administrative Measures on Deferred Payment, Recourse and Deduction of Performance Wages for Bank of Communications Co., Ltd.. The Bank also established a deferred payment, recourse and deduction system for the performance wages of senior management and personnel in key positions within the Group, and deferred payment of over 40% of their performance wages for a period of not less than three years. In subsequent years, the Bank will stop payments, pursue recourse and deduct relevant amounts based on personnel's responsibility for abnormal risk exposures as well as violations of laws, regulations and disciplinary rules. During the Reporting Period, in accordance with the above Administrative Measures, the Bank stopped paying and recovered performance wages for the corresponding period from relevant personnel who were disciplined or held accountable.

In addition to basic social security and insurance, the Bank implements supplementary benefits for staff such as annuities, with a view to caring for the welfare of its people.

3. Training Management

During the Reporting Period, in accordance with the *Education and Training Plan for Cadres and Staff of Bank of Communications* (2023-2027), the Bank carried out training sessions to improve employees' performance and political capabilities and cultivate a financial team that is honest, professional and competitive. The Bank organised rotational trainings covering the spirit of the Central Financial Work Conference, Party discipline, and the spirit of the Third Plenary Session of the 20th CPC Central Committee, so as to deliver comprehensive training to personnel and achieve full training coverage. For key targets such as executive leaders, outstanding young cadres and new cadres, the Bank carried out training on key content such as the "five priorities" of finance, preventing and resolving financial risks, and promoting digital transformation. At the same time, the Bank focused on the needs of high-quality development, and carried out targeted training for various types of professional teams, such as fintech professionals, account managers/product managers, risk managers, payment and settlement professionals, and Party building personnel. The Bank continued to carry out qualification certification training and conducted examinations of various business lines to ensure that personnel on duty have the necessary knowledge and act with professionalism. In addition, the Bank fully leveraged its e-Campus network platform to hold lectures on corporate business, international business, inclusive business, retail credit, risk management, internal control compliance, credit management and other business topics, with the goal of improving employees' professional skills. The Bank promoted the standardisation and systematisation of new staff training throughout the Bank, and set up an onboarding training course system that features "1 + 7" main courses + 24 basic public courses + 20 professional skills courses. In 2024, the Bank also held a centralised onboarding ceremony for new staff throughout the Bank, with a view to encouraging new staff to quickly integrate into BoCom and take the "first and right step" as honest practitioners. During the Reporting Period, the Bank carried out more than 13,000 training sessions for cadres and employees, with a total of more than 1.05 million participants.

The Bank paid great attention to professional ethics training and anti-corruption warning education for employees, and continuously strengthened the anti-corruption awareness of cadres and employees. During the Reporting Period, the Bank educated cadres and employees to take lessons from corruption, resist corruption and guard against degeneration by releasing typical case notifications, holding warning education conferences, and playing warning education films.

4. Talent Training and Reserve

During the Reporting Period, the Bank continued to optimise the talent development policy mechanism, and strengthened the construction of professional teams to provide a strong foundation for high-quality development and the digital transformation of the Bank. The Bank made every effort to promote the implementation of the Ten Thousand People Technology Engagement plan. As at the end of the Reporting Period, the Group had 9,041 fintech personnel, an increase of 15.70% over the end of the previous year. During the year, the Bank expanded support for professionals in key business areas and regions, and continued to focus on recruiting resources in key areas such as the "five priorities" of finance, fintech, retail risk control, audit and compliance, as well as in regions with large numbers of professionals such as the Yangtze River Delta, the Guangdong-Hong Kong-Macao Region and the Beijing-Tianjin-Hebei Region. The Bank also continued to carry out the supporting policy for professional service groups, and selected professionals to assist at branches located in challenging areas and national strategic areas and branches facing operating difficulties. Furthermore, the Bank made greater efforts to attract high-level professionals, focused on key areas of the "five priorities" of finance, and set up more than 50 high-level positions in the areas of fintech, risk measurement, and legal compliance.

2. Corporate Governance Code in compliance with the Hong Kong Listing Rules

Good corporate governance is the cornerstone of the long-term healthy development of commercial banks. The Bank's vision is "constructing the bank with the best corporate governance", keeps pursuing the best practice of corporate governance. Strengthen the party's leadership while improving the corporate governance, continue to promote the organic integration of advanced party's leadership and corporate governance, improve the framework of corporate governance, speed up the establishment of a modern financial enterprise governance mechanism of "statutory rights, transparent rights, coordination and operation, and effective balances", and the scientific nature, integrity and effectiveness of corporate governance are continuously improved. During the Reporting Period, there is no difference between the Bank's corporate governance conditions and the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China as well as the normative documents and requirements relating to listed corporate governance issued by the CSRC.

The Board of Directors of the Bank confirmed that, during the year ended 31 December 2024, the Bank had complied with the principles and code provisions contained in the *Corporate Governance Code* of the Appendix C1 of Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Hong Kong Listing Rules**") at all times, and complied with the majority of the recommended best practices.

3. Securities Transactions of Directors, Supervisors and Senior Management

The Bank requires Directors, Supervisors and Senior Management of the Bank to strictly adhere to the Management Rules for the Shares Held by Directors, Supervisors and Senior Managers of Listed Companies and their Changes of the CSRC and the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Hong Kong Listing Rules. Also, the Bank has adopted a set of standards not less exacting than those mentioned above for the securities transactions of the Directors, Supervisors and Senior Management. Having made enquiries, all Directors, Supervisors and Senior Management of the Bank confirmed that the securities transactions conducted by them were in compliance with the above rules during the Reporting Period

4. Annual Profit Distribution

The Board of Directors proposed that based on the total share capital of 74,262,726,645 ordinary shares of the Bank as at the end of the Reporting Period, a cash dividend of RMB0.197 per share (inclusive of tax) (the "**Final Dividend**") will be distributed to the registered shareholders of A shares and H shares of the Bank, totaling RMB14.630 billion. The Final Dividend is subject to the approval of the 2025 first extraordinary general meeting of the Bank to be held on 8 April 2025.

The record date for shareholders who are eligible to receive the Final Dividend, the suspension period for share transfer registration procedures, and other information related to the profit distribution plan will be further announced by the Bank in due course. The Bank will complete the cash dividend distribution within two months after the approval of the resolutions at the relevant shareholders' meeting.

VII. FINANCIAL REPORT

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	2024	2023
Interest income	**451,712**	459,861
Interest expense	**(281,880)**	(295,738)
Net interest income	**169,832**	164,123
Fee and commission income	**40,918**	47,148
Fee and commission expense	**(4,004)**	(4,144)
Net fee and commission income	**36,914**	43,004
Net gains/(losses) arising from trading activities	**21,919**	23,224
Net gains/(losses) arising from financial investments	**1,949**	727
Including: Net gains on derecognition of financial assets measured at amortised cost	***452***	*40*
Net gains/(losses) on investments in associates and joint ventures	**514**	356
Other operating income	**29,141**	26,580
Net operating income	**260,269**	258,014
Credit impairment losses	**(52,567)**	(56,908)
Other assets impairment losses	**(1,640)**	(1,062)
Other operating expenses	**(102,587)**	(100,346)
Profit before tax	**103,475**	99,698
Income tax	**(9,246)**	(6,446)
Net profit for the year	**94,229**	93,252

Consolidated statement of profit or loss and other comprehensive income (Continued)
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	2024	2023
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income		
Amount recognised in equity	***17,996***	*7,534*
Amount reclassified to profit or loss	***(1,456)***	*(664)*
Expected credit losses of debt instruments measured at fair value through other comprehensive income		
Amount recognised in equity	***(181)***	*1,089*
Amount reclassified to profit or loss	**–**	–
Effective portion of gains or losses on hedging instruments in cash flow hedges		
Amount recognised in equity	***946***	*(660)*
Amount reclassified to profit or loss	***(1,060)***	*50*
Translation differences for foreign operations	**976**	2,152
Others	**(7,647)**	(2,367)
Subtotal	**9,574**	7,134
Items that will not be reclassified subsequently to profit or loss:		
Actuarial revaluation on pension benefits	**(16)**	33
Changes in fair value of equity investments designated at fair value through other comprehensive income	**2,281**	988
Changes in fair value attributable to changes in the credit risk of financial liability designated at fair value through profit or loss	**(268)**	458
Others	**(168)**	(313)
Subtotal	**1,829**	1,166

Consolidated statement of profit or loss and other comprehensive income (Continued)
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	2024	2023
Other comprehensive income, net of tax	**11,403**	8,300
Total comprehensive income for the year	**105,632**	101,552
Net profit attributable to:		
Shareholders of the parent company	**93,586**	92,728
Non-controlling interests	**643**	524
	94,229	93,252
Total comprehensive income attributable to:		
Shareholders of the parent company	**105,123**	100,862
Non-controlling interests	**509**	690
	105,632	101,552
Basic and diluted earnings per share for profit attributable to holders of ordinary shares of the parent company (in RMB yuan)	**1.16**	1.15

Consolidated statement of financial position
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	As at 31 December 2024	As at 31 December 2023
ASSETS		
Cash and balances with central banks	**717,354**	898,022
Due from and placements with banks and other financial institutions	**974,042**	859,642
Derivative financial assets	**100,375**	67,387
Loans and advances to customers	**8,351,131**	7,772,060
Financial investments at fair value through profit or loss	**656,152**	642,282
Financial investments at amortised cost	**2,581,793**	2,573,911
Financial investments at fair value through other comprehensive income	**1,082,144**	887,949
Investments in associates and joint ventures	**11,601**	8,990
Property and equipment	**238,949**	217,751
Deferred tax assets	**42,752**	40,379
Other assets	**144,424**	92,099
Total assets	**14,900,717**	14,060,472
LIABILITIES AND EQUITY		
LIABILITIES		
Due to and placements from banks and other financial institutions	**2,431,451**	2,424,537
Financial liabilities at fair value through profit or loss	**50,254**	56,557
Derivative financial liabilities	**85,473**	50,975
Deposits from customers	**8,800,335**	8,551,215
Certificates of deposits issued	**1,384,372**	1,027,461
Income tax payable	**8,056**	4,538
Debt securities issued	**691,248**	592,175
Deferred tax liabilities	**4,324**	2,407
Other liabilities	**289,607**	251,157
Total liabilities	**13,745,120**	12,961,022

Consolidated statement of financial position (Continued)
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	As at 31 December 2024	As at 31 December 2023
LIABILITIES AND EQUITY (Continued)		
EQUITY		
Share capital	**74,263**	74,263
Other equity instruments	**174,796**	174,790
Including: Preference shares	***44,952***	*44,952*
Perpetual bonds	***129,844***	*129,838*
Capital surplus	**111,420**	111,428
Other reserves	**435,562**	400,805
Retained earnings	**348,265**	326,744
Equity attributable to shareholders of the parent company	**1,144,306**	1,088,030
Equity attributable to non-controlling interests of ordinary shares	**7,706**	7,912
Equity attributable to non-controlling interests of other equity instruments	**3,585**	3,508
Non-controlling interests	**11,291**	11,420
Total equity	**1,155,597**	1,099,450
Total equity and liabilities	**14,900,717**	14,060,472

Consolidated statement of changes in equity

For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company															Non-controlling interests		
		Other equity instruments			Other reserves													
	Share capital	Preference Share	Perpetual bonds	Capital surplus	Statutory reserve	Discretionary surplus reserve	Statutory general reserve	Revaluation reserve and impairment for financial assets at fair value through other comprehensive income	Revaluation reserve for the changes in credit risk of the financial liabilities designated at fair value through profit or loss	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others	Retained earnings	Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments	Total
As at 1 January 2024	**74,263**	**44,952**	**129,838**	**111,428**	**97,227**	**140,399**	**159,053**	**1,277**	**301**	**84**	**3,214**	**(88)**	**(662)**	**326,744**	**1,088,030**	**7,912**	**3,508**	**1,099,450**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,848**	**(268)**	**(109)**	**951**	**(16)**	**(4,869)**	**93,586**	**105,123**	**300**	**209**	**105,632**
Capital contribution and reduction by other equity instruments holders	-	-	6	(8)	-	-	-	-	-	-	-	-	-	-	(2)	-	-	(2)
Dividends paid to ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,365)	(41,365)	(177)	-	(41,542)
Dividends paid to preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,832)	(1,832)	-	-	(1,832)
Interest paid to perpetual bond holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,632)	(5,632)	-	-	(5,632)
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(132)	(132)
Transfer to reserves	-	-	-	-	8,787	162	14,123	-	-	-	-	-	-	(23,072)	-	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	164	-	-	-	-	-	(164)	-	-	-	-
Others	-	-	-	-	-	(16)	-	-	-	-	-	-	-	-	(16)	(329)	-	(345)
As at 31 December 2024	**74,263**	**44,952**	**129,844**	**111,420**	**106,014**	**140,545**	**173,176**	**17,289**	**33**	**(25)**	**4,165**	**(104)**	**(5,531)**	**348,265**	**1,144,306**	**7,706**	**3,585**	**1,155,597**

Consolidated statement of changes in equity (Continued)

For the year ended 31 December 2023

(All amounts expressed in millions of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company															Non-controlling interests		
		Other equity instruments			Other reserves													
	Share capital	Preference Share	Perpetual bonds	Capital surplus	Statutory reserve	Discretionary surplus reserve	Statutory general reserve	Revaluation reserve and impairment for financial assets at fair value through other comprehensive income	Revaluation reserve for the changes in credit risk of the financial liabilities designated at fair value through profit or loss	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others	Retained earnings	Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments	Total
As at 31 December 2022 (Restated)	74,263	44,952	129,838	111,429	88,154	140,182	144,541	(6,664)	(157)	693	1,164	(121)	1,016	292,734	1,022,024	8,040	3,458	1,033,522
Impact of adoption of accounting policies amendments	–	–	–	–	–	–	–	191	–	–	–	–	–	127	318	190	–	508
As at 1 January 2023	74,263	44,952	129,838	111,429	88,154	140,182	144,541	(6,473)	(157)	693	1,164	(121)	1,016	292,861	1,022,342	8,230	3,458	1,034,030
Total comprehensive income	–	–	–	–	–	–	–	7,880	458	(609)	2,050	33	(1,678)	92,728	100,862	509	181	101,552
Dividends paid to ordinary shares	–	–	–	–	–	–	–	–	–	–	–	–	–	(27,700)	(27,700)	(308)	–	(28,008)
Dividends paid to preference shares	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,832)	(1,832)	–	–	(1,832)
Interest paid to perpetual bond holders	–	–	–	–	–	–	–	–	–	–	–	–	–	(5,641)	(5,641)	–	–	(5,641)
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(131)	(131)
Transfer to reserves	–	–	–	–	9,073	217	14,512	–	–	–	–	–	–	(23,802)	–	–	–	–
Transfer of other comprehensive income to retained earnings	–	–	–	–	–	–	–	(130)	–	–	–	–	–	130	–	–	–	–
Others	–	–	–	(1)	–	–	–	–	–	–	–	–	–	–	(1)	(519)	–	(520)
As at 31 December 2023	74,263	44,952	129,838	111,428	97,227	140,399	159,053	1,277	301	84	3,214	(88)	(662)	326,744	1,088,030	7,912	3,508	1,099,450

Consolidated statement of cash flows
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	2024	2023
Cash flows from operating activities:		
Profit before tax:	**103,475**	99,698
Adjustments for:		
Provision for credit impairment losses	**52,567**	56,908
Provision for other assets impairment losses	**1,640**	1,062
Depreciation and amortisation	**19,372**	18,279
Provision for outstanding litigations	**(95)**	(14)
Net gains on the disposal of property, equipment and other assets	**(878)**	(793)
Interest income from financial investments	**(112,038)**	(111,647)
Net (gains)/losses on fair value and foreign exchange	**(934)**	(5,304)
Net (gains)/losses on investments in associates and joint ventures	**(514)**	(356)
Net (gains)/losses on financial investments	**(1,708)**	(193)
Interest expense on debt securities issued	**16,650**	16,395
Interest expense on lease liabilities	**179**	147
Operating cash flows before movements in operating assets and liabilities	**77,716**	74,182
Net decrease/(increase) in balances with central banks	**56,165**	(7,027)
Net increase in due from and placements with banks and other financial institutions	**(105,113)**	(222,855)
Net increase in loans and advances to customers	**(630,140)**	(678,863)
Net (increase)/decrease in financial assets at fair value through profit or loss	**(10,613)**	68,810
Net (increase)/decrease in other assets	**(50,728)**	8,378
Net increase in due to and placements from banks and other financial institutions	**12,172**	399,145
Net decrease in financial liabilities at fair value through profit or loss	**(3,366)**	(8,510)
Net increase in deposits from customers and certificates of deposits issued	**579,143**	487,415
Net increase in other liabilities	**26,381**	23,345
Net increase in value-added tax and other taxes payable	**1,246**	472
Income tax paid	**(10,211)**	(7,169)
Net cash flows generated from/(used in) operating activities	**(57,348)**	137,323

Consolidated statement of cash flows (Continued)
For the year ended 31 December 2024

(All amounts expressed in millions of RMB unless otherwise stated)

	2024	2023
Cash flows from investing activities:		
Cash payment for investment in subsidiaries, associated ventures and joint ventures	**(2,169)**	–
Acquisition of non-controlling interests	**(345)**	–
Cash payments for financial investments	**(1,211,896)**	(1,203,846)
Cash received on disposal or redemption of financial investments	**1,038,694**	1,013,044
Dividends received	**757**	744
Interest received from financial investments	**113,225**	111,423
Acquisition of intangible assets and other assets	**(1,565)**	(2,450)
Cash received from the sale of intangible assets and other assets	**15**	25
Acquisition of property, equipment	**(40,610)**	(45,141)
Cash received from disposal of property, equipment	**5,805**	9,578
Net cash flows generated from/(used in) investing activities	**(98,089)**	(116,623)
Cash flows from financing activities:		
Proceeds from issue of debt securities	**204,650**	196,102
Proceeds from issue of other equity instruments	**40,000**	–
Repayment of principals of debt securities issued	**(107,244)**	(137,871)
Payment of interest on debt securities	**(16,873)**	(15,092)
Payment of repurchase of of other equity instruments	**(40,000)**	–
Payment of issuance of other equity instruments	**(2)**	–
Repayment of principal and interest of lease liabilities	**(2,378)**	(2,514)
Dividends paid	**(35,309)**	(35,298)
Dividends paid to non-controlling interests	**(324)**	(439)
Net cash flows generated from/(used in) financing activities	**42,520**	4,888
Effect of exchange rate changes on cash and cash equivalents	**(594)**	1,070
Net increase in cash and cash equivalents	**(113,511)**	26,658
Cash and cash equivalents at the beginning of the year	**275,461**	248,803
Cash and cash equivalents at the end of the year	**161,950**	275,461
Net cash flows from operating activities include:		
Interest received	**345,927**	350,078
Interest paid	**(253,112)**	(241,668)

1 Summary of significant accounting policies

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (the "**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(3) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(2) Basis of preparation of the financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment property which are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The financial statements are presented in RMB, rounded to the nearest million, which is the functional currency of the Group.

(3) Changes in accounting policies

(a) Standards and amendments effective in 2024 relevant to and adopted by the Group

In the current Reporting Period, the Group has adopted the following International Financial Reporting Standards ("**IFRSs**") and amendments issued by the IASB, that are mandatorily effective for the current Reporting Period.

		Notes
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	*(i)*
Amendments to IAS 1 (2020)	Classification of Liabilities as Current or Non-current	*(ii)*
Amendments to IAS 1 (2022)	Non-current Liabilities with Covenants	*(ii)*
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	*(iii)*

(i) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments add to the requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains, including cases with variable lease payments in the leaseback.

The adoption of this amendment does not have a significant impact on the financial position or comprehensive income of the Group.

(ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments to IAS 1 (2020) concern the requirements on determining if a liability is current or non-current. In particular, the amendments specify the condition of an entity to classify a liability as non-current requires that a right to defer settlement must exist at the end of the Reporting Period and have substance, and clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement.

The amendments also specify the classification of liabilities that will or may be settled by issuing an entity's own equity instruments. When a liability includes a counterparty conversion option that involves a transfer of the entity's own equity instruments, the classification of such liability is not affected only when the conversion option is recognised separately from the host liability as an equity component under IAS 32.

The amendments to IAS 1 (2022) specify that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, an entity is required to disclose information regarding the risk that the non-current liabilities subject to future covenants could become repayable within twelve months after the end of the Reporting Period.

The 2022 amendments defer the effective date of the 2020 amendments to annual Reporting Periods beginning on or after 1 January 2024. If an entity applies one of these two amendments for an earlier period, the other amendments should also be applied for that period.

The adoption of this amendment does not have a significant impact on the financial position or comprehensive income of the Group.

(iii) Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments contain disclosure requirements to enhance transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The adoption of this amendment does not have a significant impact on the financial position or comprehensive income of the Group.

(b) Standards and amendments relevant to the Group that are not yet effective in the current Reporting Period and have not been adopted before their effective dates by the Group

The Group has not adopted the following new or amended standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee, that have been issued but are not yet effective.

		Effective for annual periods beginning on or after	*Notes*
Amendments to IAS 21	Lack of exchangeability	1 January 2025	*(i)*
Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial assets	1 January 2026	*(ii)*
Amendments to IFRS 7 and IFRS 9	Contracts referencing nature-dependent electricity	1 January 2026	*(ii)*
Annual improvements to IFRS Accounting Standards	Volume 11	1 January 2026	*(iii)*
IFRS 18	Presentation and disclosure in financial statements	1 January 2027	*(iv)*
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027	*(v)*
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and Its associate or joint venture	The effective date has now been deferred.	*(vi)*

(i) Amendments to IAS 21: Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

(ii) Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial assets and Contracts referencing nature-dependent electricity

The amendments on May 2024 concerned the requirements of classification and measurement of financial assets. The amendments include clarification on the classification of financial assets with ESG and slimier features, new requirements on settlement of financial liabilities through electronic payment system and additional disclosure requirements regarding investment in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments on December 2024 targeted contracts referencing nature-dependent electricity. The amendments include guidance on clarifying the application of the "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements for specific power purchase agreements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Group anticipates that the adoption of above amendments will not have a significant impact on the consolidated financial statements.

(iii) Annual improvements to IFRS Accounting Standards – Volume 11

On 18 July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards Volume 11 which contains narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The amended standards and guidance are:

– IFRS 1 First time Adoption of International Financial Reporting Standards;

– IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;

– IFRS 9 Financial Instruments;

– IFRS 10 Consolidated Financial Statements; and

– IAS 7 Statement of Cash Flows.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

(iv) IFRS 18: Presentation and Disclosure in Financial Statements

On April 2024, the IASB published its new standard IFRS 18: Presentation and Disclosure in Financial Statements. The main changes in IFRS 18 compared with the previous requirements in IAS 1 comprise a more structured income statement, disclosures on management defined performance measures and enhanced aggregation and disaggregation of information etc.

The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting IFRS 18.

(v) IFRS 19: Subsidiaries without public accountability: Disclosures

On 9 May 2024, the IASB issued a new IFRS Accounting Standard-IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements.

A subsidiary may elect to apply IFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date: it does not have public accountability; and its parent produces consolidated financial statements that are available for public use under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

IFRS 19 is effective for Reporting Periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group anticipates that the adoption of the standard will not have a significant impact on the consolidated financial statements.

(vi) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Group anticipates that the adoption of the amendment will not have a significant impact on the consolidated financial statements.

2 Net interest income

	2024	2023
Interest income		
Loans and advances to customers	**298,120**	306,150
Financial investments	**112,038**	111,647
Due from and placements with banks and other financial institutions	**30,024**	29,671
Balances with central banks	**11,530**	12,393
Subtotal	**451,712**	459,861
Interest expense		
Deposits from customers	**(178,111)**	(192,982)
Due to and placements from banks and other financial institutions	**(56,063)**	(55,150)
Certificates of deposit issued	**(31,056)**	(31,211)
Debt securities issued	**(16,650)**	(16,395)
Subtotal	**(281,880)**	(295,738)
Net interest income	**169,832**	164,123

3 Fee and commission income

	2024	2023
Bank cards business	**14,826**	18,762
Wealth management business	**7,764**	7,808
Custody and other fiduciary business	**7,667**	8,004
Agency services	**3,502**	5,274
Guarantee and commitment	**3,202**	3,201
Investment banking	**2,316**	2,521
Settlement services	**1,504**	1,375
Others	**137**	203
Total	**40,918**	47,148

4 Credit impairment losses

	2024	2023
Loans and advances to customers at amortised cost	**49,452**	54,211
Due from and placements with banks and other financial institutions	**1,421**	1,502
Credit related commitments and financial guarantees	**1,139**	(2,269)
Debt investments at FVOCI	**401**	1,027
Loans and advances to customers at FVOCI	**256**	733
Financial investments at amortised cost	**(103)**	45
Others	**1**	1,659
Total	**52,567**	56,908

5 Other assets impairment losses

	2024	2023
Operating lease assets	**1,409**	1,007
Foreclosed assets	**231**	61
Investments in associates and joint ventures	**–**	2
Assets to be disposed	**–**	(1)
Precious metal	**–**	(7)
Total	**1,640**	1,062

6 Income tax

	2024	2023
Current income tax		
– Enterprise income tax	**11,686**	5,604
– Hong Kong profits tax	**1,514**	802
– Other countries or regions	**727**	929
Subtotal	**13,927**	7,335
Deferred income tax	**(4,681)**	(889)
Total	**9,246**	6,446

The provision for enterprise income tax in Chinese Mainland is calculated based on the statutory rate of 25% of the assessable income of the Bank and each of the subsidiary established in Chinese Mainland. Taxation arising in other jurisdictions (including Hong Kong) is calculated at the rates prevailing in the relevant jurisdictions, the shortfall arising from the difference between tax paid by overseas branches and the accrued tax under the regulation of Chinese Mainland shall be compensated by the head office.

The actual taxation on the Group differs from the theoretical amount calculated using the Group's profit before tax at the tax rate of 25%. The major reconciliation items are as follows:

	Note	2024	2023
Profit before tax		**103,475**	99,698
Tax calculated at statutory rate of 25%		**25,869**	24,924
Effects of different tax rates prevailing in other countries or regions		**(335)**	(73)
Effects of non-deductible expenses	*(1)*	**9,393**	6,554
Effects of non-taxable income	*(2)*	**(24,096)**	(23,746)
Adjustments for income tax filing of prior years		**(211)**	163
Others		**(1,374)**	(1,376)
Income tax		**9,246**	6,446

(1) Non-deductible expenses primarily represent non-deductible write-offs.

(2) Non-taxable income primarily represents interest income from PRC treasury bonds and municipal government bonds and fund investment income.

7 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Net profit attributable to shareholders of the parent company	**93,586**	92,728
Less: Dividends paid to preference shareholders	**(1,832)**	(1,832)
Interest paid to perpetual bond holders	**(5,632)**	(5,641)
Net profit attributable to holders of ordinary shares of the parent company	**86,122**	85,255
Weighted average number of ordinary shares in issue (expressed in millions) at the end of the year	**74,263**	74,263
Basic and diluted earnings per share (expressed in RMB per share)	**1.16**	1.15

For the calculation of basic earnings per share, a cash dividend of RMB1,832 million on preference shares and interests of RMB5,632 million on perpetual bond declared for the year was deducted from the amounts attributable to shareholders of the parent company. The conversion feature of preference shares may lead to the possible existence of contingently issuable ordinary shares. The triggering events of conversion did not occur for the year ended 31 December 2024, and therefore the conversion feature of preference shares has no effect on the calculation of the basic and diluted earnings per share.

8 Derivative financial instruments

A derivative is a financial instrument, the value of which changes in response to the changes in a specified foreign exchange rate, interest rate, commodity price or other similar variables. The Group utilize derivative financial instruments for trading or hedging purposes, including forwards, swaps and options.

The notional amount of a derivative represents the underlying amount of the specific financial instruments mentioned above. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amounts and fair values of derivative financial instruments held by the Group are set out below:

		Fair values	
As at 31 December 2024	**Notional amount**	**Assets**	**Liabilities**
Foreign exchange contracts	**5,556,881**	**63,072**	**(63,594)**
Interest rate contracts	**5,146,982**	**34,855**	**(20,498)**
Commodity contracts and others	**150,332**	**2,448**	**(1,381)**
Total amount of derivative financial instruments recognised	**10,854,195**	**100,375**	**(85,473)**

		Fair values	
As at 31 December 2023	Notional amount	Assets	Liabilities
Foreign exchange contracts	4,437,857	36,040	(37,499)
Interest rate contracts	3,349,227	27,483	(11,509)
Commodity contracts and others	120,757	3,864	(1,967)
Total amount of derivative financial instruments recognised	7,907,841	67,387	(50,975)

(1) Fair value hedge

The Group uses interest rate swaps to hedge against changes in fair value arising from changes in interest rates. Some purchased interest rate swap contracts are designated as hedging instruments, whose terms are identical with those of the corresponding hedged items regarding interest rate, maturity and currency. The Group uses regression analysis and critical term match to evaluate the effectiveness of hedging. With the support of testing results, the Group's management considers the hedging relationship to be highly effective.

The gain and loss arising from the ineffective portion recognized in net trading gains were immaterial in 2024 and 2023.

	As at 31 December 2024			As at 31 December 2023			**Line items in the statement of financial position**
		Fair values			Fair values		
	Notional amount	**Assets**	**Liabilities**	Notional amount	Assets	Liabilities	
Interest rate contract	**250,693**	**10,985**	**(720)**	230,540	12,002	(898)	Derivative financial assets/liabilities

(a) The changes in fair value of the hedging instruments and net gains or losses arising from the hedged risk relating to the hedged items are set out below:

	2024	2023
Net gains or losses from fair value hedges:		
Hedging instruments	**(1,015)**	(4,669)
Hedged items attributable to the hedged risk	**1,008**	4,565
Total	**(7)**	(104)

(b) The following table shows the fair value hedge notional amounts with remaining maturity of:

	Up to 1 month	**1 – 3 months**	**3 – 12 months**	**1 – 5 years**	**Over 5 years**	**Total**
As at 31 December 2024	**2,778**	**2,467**	**36,312**	**134,073**	**75,063**	**250,693**
As at 31 December 2023	1,279	7,715	14,762	132,865	73,919	230,540

(c) Details of the Group's hedged items in fair value hedges are as follows:

	As at 31 December 2024				
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	**225,633**	**–**	**(10,234)**	**–**	**Financial investments at amortised cost/Financial investments at FVOCI**
Others	**15,535**	**(8,816)**	**11**	**(45)**	**Due from and placements with banks and other financial institutions/ Loans and advances to customers/Debt securities issued/ Certificates of deposits issued**
Total	**241,168**	**(8,816)**	**(10,223)**	**(45)**	

	As at 31 December 2023				
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	204,123	–	(10,967)	–	Financial investments at amortised cost/ Financial investments at FVOCI
Others	17,042	(884)	(10)	2	Due from and placements with banks and other financial institutions/ Loans and advances to customers/Debt securities issued
Total	221,165	(884)	(10,977)	2	

(2) Cash flow hedge

The Group uses foreign exchange contracts to hedge against exposures to cash flow variability primarily resulting from foreign exchange risks and uses interest rate swaps to hedge against exposures to cash flow variability primarily resulting from interest rate risks. The hedged items include due from and placements with banks and other financial institutions, loans and advances to customers, debt investments at FVOCI, debt securities issued, due to and placements from banks and other financial institutions, certificates of deposits issued, other assets and other liabilities. The Group mainly uses regression analysis and critical term match to evaluate the effectiveness of hedging.

Gains and losses arising from the portion of hedge ineffectiveness recognised in cash flow hedges were not material in 2024 and 2023.

	As at 31 December 2024			As at 31 December 2023			**Line items in the statement of financial position**
		Fair values			Fair values		
	Notional amount	**Assets**	**Liabilities**	Notional amount	Assets	Liabilities	
Foreign exchange contract	**164,199**	**2,465**	**(2,061)**	148,892	1,225	(2,103)	Derivative financial assets/liabilities
Interest rate contract	**32,851**	**291**	**(40)**	22,063	603	(22)	Derivative financial assets/liabilities
Total	**197,050**	**2,756**	**(2,101)**	170,955	1,828	(2,125)	

(a) The following table shows the cash flow hedge notional amounts with remaining maturity of:

	Up to 1 month	**1 – 3 months**	**3 – 12 months**	**1 – 5 years**	**Over 5 years**	**Total**
As at 31 December 2024	**21,953**	**49,758**	**84,886**	**37,218**	**3,235**	**197,050**
As at 31 December 2023	13,911	43,152	78,265	32,117	3,510	170,955

(b) Information on the Group's risk exposures in cash flow hedges and the impact on equity and profit or loss is as follows:

Hedged items

	As at 31 December 2024		As at 31 December 2023	
	Assets	**Liabilities**	Assets	Liabilities
Foreign risk	**94,963**	**(105,654)**	34,461	(107,383)
Interest risk	**650**	**(30,877)**	1,422	(20,662)
Total	**95,613**	**(136,531)**	35,883	(128,045)

Hedging instruments

	2024			
	Fair value changes on hedging instruments recognised in other comprehensive income	**Reclassifications from the cash flow hedge reserve to profit or loss**	**Line item in the statement of profit or loss including reclassifications**	**cash flow hedge reserve**
Foreign risk	**(1,652)**	**1,372**	**Net gains/(losses) arising from trading activities**	**2**
Interest risk	**316**	**42**	**Net gains/(losses) arising from trading activities**	**23**
Total	**(1,336)**	**1,414**		**25**

	2023			
	Fair value changes on hedging instruments recognised in other comprehensive income	Reclassifications from the cash flow hedge reserve to profit or loss	Line item in the statement of profit or loss including reclassifications	cash flow hedge reserve
Foreign risk	440	(85)	Net gains/(losses) arising from trading activities	(350)
Interest risk	385	18	Net gains/(losses) arising from trading activities	266
Total	825	(67)		(84)

9 Dividends

	2024	2023
Dividends to ordinary shareholders of the Bank	**41,365**	27,700
Dividends to preference shareholders of the Bank	**1,832**	1,832
Interest to perpetual bond holders of the Bank	**5,632**	5,641

Under PRC Company Law and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

(1) Making up cumulative losses from prior years, if any;

(2) Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank as determined under the relevant PRC accounting standards;

(3) Allocations to statutory general reserve;

(4) Allocations to the discretionary reserve upon approval by the Annual General Meeting of Shareholders. These funds form part of the shareholders' equity. The cash dividends are recognised in the consolidated statement of financial position upon approval by the shareholders at Annual General Meeting.

Pursuant to the approval by the Second Extraordinary Annual General Meeting of Shareholders on 27 December 2024, the Bank appropriated a cash dividend of RMB0.182 (before tax) for each ordinary share, with total amount of RMB13,516 million, calculated based on 74,263 million shares outstanding as at 30 June 2024, will be distributed to ordinary shareholders.

Pursuant to the approval by the Annual General Meeting of Shareholders on 26 June 2024, the Bank appropriated a cash dividend of RMB0.375 (before tax) for each ordinary share, with total amount of RMB27,849 million, calculated based on 74,263 million shares outstanding as at 31 December 2023, will be distributed to ordinary shareholders.

Pursuant to the approval by the Annual General Meeting of Shareholders on 27 June 2023, the Bank appropriated a cash dividend of RMB0.373 (before tax) for each ordinary share, with total amount of RMB27,700 million, calculated based on 74,263 million shares outstanding as at 31 December 2022, will be distributed to ordinary shareholders.

Pursuant to the approval by the Board meeting on 26 April 2024, the Bank will appropriate domestic preference dividends of RMB1,832 million with a dividend yield of 4.07%.

Pursuant to the approval by the Board meeting on 28 April 2023, the Bank will appropriate domestic preference dividends of RMB1,832 million with a dividend yield of 4.07%.

The Bank distributed the interest on the 2020 undated capital bonds in USD amounting to RMB890 million on 18 November 2024.

The Bank distributed the interest on the 2020 undated capital bonds amounting to RMB1,377 million on 25 September 2024.

The Bank distributed the interest on the 2019 undated capital bonds amounting to RMB1,680 million on 20 September 2024.

The Bank distributed the interest on the 2021 undated capital bonds amounting to RMB1,685 million on 10 June 2024.

The Bank distributed the interest on the 2020 undated capital bonds in USD amounting to RMB899 million on 18 November 2023.

The Bank distributed the interest on the 2020 undated capital bonds amounting to RMB1,377 million on 25 September 2023.

The Bank distributed the interest on the 2019 undated capital bonds amounting to RMB1,680 million on 20 September 2023.

The Bank distributed the interest on the 2021 undated capital bonds amounting to RMB1,685 million on 10 June 2023

10 Contingencies

Legal proceedings

The Group has been involved as defendants in certain lawsuits arising from its normal business operations. Management of the Group believes, based on legal advice, the final result of these lawsuits will not have a material impact on the financial position or operations of the Group. The total outstanding claims against the Group (as defendant) by a number of third parties at the end of the year are summarised as follows:

	As at 31 December 2024	As at 31 December 2023
Outstanding litigations	**1,187**	1,480
Provision for outstanding litigation	**407**	503

Future receivables from operating leases

The Group acts as lessor in operating leases principally through aircrafts, vessels and equipments leasing undertaken by its subsidiaries. The future minimum lease receivables on certain aircraft, vessel and equipments under irrevocable operating leases are as follows:

	As at 31 December 2024	As at 31 December 2023
Within 1 year	**21,803**	18,835
After 1 year and within 2 years	**20,779**	17,470
After 2 years and within 3 years	**19,095**	16,327
After 3 years and within 4 years	**17,005**	14,904
After 4 years and within 5 years	**15,642**	12,935
After 5 years	**60,418**	53,932
Total	**154,742**	134,403

11 Commitments

Credit related commitments and financial guarantees

The following tables provide the contractual amounts of the Group's credit related commitments and financial guarantees which the Group has committed to its customers:

	As at 31 December 2024	As at 31 December 2023
Loan commitments		
– Under 1 year	**7,491**	6,013
– 1 year and above	**106,714**	82,507
Credit card commitments	**923,923**	938,820
Acceptance bills	**576,578**	544,473
Letters of guarantee	**490,510**	455,646
Letters of credit commitments	**266,413**	205,132
Total	**2,371,629**	2,232,591

Capital expenditure commitments

	As at 31 December 2024	As at 31 December 2023
Contracted but not provided for	**76,109**	87,143

Commitments on security underwriting and bond acceptance

The Group is entrusted by the Ministry of Finance ('**MOF**') to underwrite certain treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The redemption price is calculated as the nominal value of the bond plus payable interest in accordance with the terms of the related early redemption arrangement.

As at 31 December 2024, the nominal value of treasury bonds the Group had the obligation to buy back amounted to RMB56,437 million (As at 31 December 2023: RMB63,381 million). Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

As at 31 December 2024, the Group had no announced but unfulfilled irrevocable commitment on security underwriting (As at 31 December 2023: Nil).

12 Segmental analysis

Operating segments are identified based on the structure of the Group's internal organization and management requirements. Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Funds are ordinarily allocated between segments. Costs of these funds are charged at the Group's cost of capital and disclosed in inter-segment net interest income. Net interest income and expense relating to third parties are disclosed in external net interest income. There are no other material items of income or expenses between the segments.

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income tax is managed on a group basis and is not allocated to operating segments.

Geographical operating segment information

The Group's Board of Directors and senior management reviews the Group's operation by the particular economic areas in which the Group's branches and subsidiaries provide products or services. The Group's geographical operating segments are decided based upon location of the assets, as the Group's branches and subsidiaries mainly serve local customers.

The Group's geographical operating segments include provincial and directly managed branches and subsidiaries (if any) in relevant regions, as follows:

– Head Office: Head Office, including the Pacific Credit Card Centre;

– Yangtze River Delta: including Shanghai (excluding Head Office), Jiangsu Province, Zhejiang Province and Anhui Province;

– Central China: including Shanxi Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Hainan Province and Guangxi Zhuang Autonomous Region;

– Bohai Rim Economic Zone: including Beijing, Tianjin, Hebei Province and Shandong Province;

– Pearl River Delta: including Fujian Province and Guangdong Province;

– Western China: including Chongqing, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Qinghai Province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Tibet Autonomous Region;

– North Eastern China: including Liaoning Province, Jilin Province and Heilongjiang Province;

– Overseas: including Hong Kong, New York, Tokyo, Singapore, Seoul, Frankfurt, Macau, Ho Chi Minh City, San Francisco, Sydney, Taipei, London, Luxembourg, Brisbane, Paris, Rome, Brazil, Melbourne, Toronto, Prague, Johannesburg and Dubai.

The geographical operating segment information of the Group is summarised as follows:

	Year ended 31 December 2024								
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Total
External net interest income/(expense)	21,541	12,917	8	20,506	18,631	(1,251)	14,697	82,783	169,832
Inter-segment net interest income/(expense)	28,943	6,787	26,653	9,146	486	7,390	766	(80,171)	–
Net interest income/(expense)	50,484	19,704	26,661	29,652	19,117	6,139	15,463	2,612	169,832
Fee and commission income	12,523	4,847	6,095	6,449	3,744	1,583	2,103	3,574	40,918
Fee and commission expense	(1,350)	(33)	(80)	(86)	(22)	(15)	(196)	(2,222)	(4,004)
Net fee and commission income	11,173	4,814	6,015	6,363	3,722	1,568	1,907	1,352	36,914
Net gains/(loss) arising from trading activities	6,666	347	56	633	165	(27)	1,239	12,840	21,919
Net gains/(loss) arising from financial investments	1,169	–	1	–	–	24	(551)	1,306	1,949
Share of profits/(loss) of associates and joint ventures	(44)	–	–	–	–	–	73	485	514
Other operating income	25,975	416	703	432	444	157	631	383	29,141
Total net operating income	95,423	25,281	33,436	37,080	23,448	7,861	18,762	18,978	260,269
Credit impairment losses	(15,133)	(8,998)	(3,008)	(6,013)	(378)	1,269	(1,536)	(18,770)	(52,567)
Other assets impairment (losses)/reversal	(1,471)	(3)	(6)	(3)	(130)	(25)	(2)	–	(1,640)
Other operating expense	(37,482)	(7,106)	(9,648)	(9,867)	(6,715)	(3,474)	(5,623)	(22,672)	(102,587)
Profit/(loss) before tax	41,337	9,174	20,774	21,197	16,225	5,631	11,601	(22,464)	103,475
Income tax									(9,246)
Net profit for the year									94,229
Depreciation and amortisation	(1,664)	(937)	(1,148)	(1,200)	(957)	(479)	(611)	(2,916)	(9,912)
Capital expenditure	(37,433)	(313)	(299)	(538)	(759)	(248)	(198)	(2,231)	(42,019)

	Year ended 31 December 2023								
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Total
External net interest income/(expense)	21,995	10,379	(3,212)	20,894	17,232	(1,525)	13,336	85,024	164,123
Inter-segment net interest income/(expense)	28,476	9,527	27,809	9,261	2,150	7,275	1,059	(85,557)	–
Net interest income/(expense)	50,471	19,906	24,597	30,155	19,382	5,750	14,395	(533)	164,123
Fee and commission income	13,373	5,205	6,960	7,580	4,480	1,845	2,077	5,628	47,148
Fee and commission expense	(1,364)	(35)	(76)	(97)	(21)	(14)	(186)	(2,351)	(4,144)
Net fee and commission income	12,009	5,170	6,884	7,483	4,459	1,831	1,891	3,277	43,004
Net gains/(loss) arising from trading activities	5,924	380	298	494	(108)	20	1,207	15,009	23,224
Net gains/(loss) arising from financial investments	1,596	1	–	–	–	15	(617)	(268)	727
Share of profits/(loss) of associates and joint ventures	(15)	–	–	–	–	–	63	308	356
Other operating income	23,109	403	529	504	405	213	822	595	26,580
Total net operating income	93,094	25,860	32,308	38,636	24,138	7,829	17,761	18,388	258,014
Credit impairment losses	(7,633)	(9,491)	(846)	(6,282)	(7,225)	(781)	(6,071)	(18,579)	(56,908)
Other assets impairment (losses)/reversal	(1,029)	1	1	(3)	(10)	(23)	–	1	(1,062)
Other operating expense	(35,320)	(7,155)	(9,250)	(9,765)	(6,758)	(3,458)	(5,742)	(22,898)	(100,346)
Profit/(loss) before tax	49,112	9,215	22,213	22,586	10,145	3,567	5,948	(23,088)	99,698
Income tax									(6,446)
Net profit for the year									93,252
Depreciation and amortisation	(1,781)	(955)	(1,178)	(1,176)	(956)	(497)	(569)	(2,415)	(9,527)
Capital expenditure	(40,918)	(257)	(398)	(668)	(380)	(271)	(294)	(3,833)	(47,019)

	As at 31 December 2024									
	Yangtze River Delta	**Pearl River Delta**	**Bohai Rim Economic North Eastern Zone**	**Central China**	**Western China**	**North Eastern China**	**Overseas**	**Head Office**	**Eliminations**	**Total**
Segment assets	**3,701,661**	**1,271,976**	**2,151,326**	**1,587,010**	**1,073,003**	**505,981**	**1,221,484**	**5,623,577**	**(2,278,053)**	**14,857,965**
Including:										
Investments in associates and joint ventures	***1,422***	**–**	**–**	***26***	**–**	**–**	***1,268***	***8,885***	**–**	***11,601***
Unallocated assets										**42,752**
Total assets										**14,900,717**
Segment liabilities	**(3,572,662)**	**(1,260,946)**	**(2,129,956)**	**(1,547,333)**	**(1,058,171)**	**(502,689)**	**(1,106,130)**	**(4,840,962)**	**2,278,053**	**(13,740,796)**
Unallocated liabilities										**(4,324)**
Total liabilities										**(13,745,120)**

	As at 31 December 2023									
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Eliminations	Total
Segment assets	3,581,356	1,280,694	2,097,935	1,498,173	1,025,178	471,772	1,204,469	5,486,713	(2,626,197)	14,020,093
Including:										
Investments in associates and joint ventures	*1,427*	–	–	*1*	–	–	*1,038*	*6,524*	–	*8,990*
Unallocated assets										40,379
Total assets										14,060,472
Segment liabilities	(3,451,137)	(1,269,395)	(2,074,193)	(1,479,208)	(1,013,057)	(470,188)	(1,101,049)	(4,726,585)	2,626,197	(12,958,615)
Unallocated liabilities										(2,407)
Total liabilities										(12,961,022)

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

Business information

The Group is engaged predominantly in banking and related financial activities. It comprises corporate banking, personal banking, treasury and other business. Corporate banking mainly comprises corporate loans, bills, trade financing, corporate deposits and remittance. Personal banking mainly comprises personal loans, personal deposits, credit cards and remittance. Treasury mainly comprises money market placements and takings, financial investment, and securities sold under repurchase agreements. Others business segment mainly comprises items which cannot be categorised in the above business segments.

The business information of the Group is summarised as follows:

	Year ended 31 December 2024				
	Corporate Banking Business	**Personal Banking Business**	**Treasury Business**	**Other Business**	**Total**
External net interest income/ (expense)	**89,145**	**26,416**	**54,310**	**(39)**	**169,832**
Inter-segment net interest income/ (expense)	**(345)**	**46,749**	**(46,404)**	**–**	**–**
Net interest income/(expense)	**88,800**	**73,165**	**7,906**	**(39)**	**169,832**
Net fee and commission income	**9,512**	**22,680**	**4,566**	**156**	**36,914**
Net gains/(loss) arising from trading activities	**3,405**	**1,781**	**16,582**	**151**	**21,919**
Net gains/(loss) arising from financial investments	**71**	**1,058**	**817**	**3**	**1,949**
Share of profits/(loss) of associates and joint ventures	**74**	**(44)**	**–**	**484**	**514**
Other operating income	**24,096**	**3,996**	**817**	**232**	**29,141**
Total net operating income	**125,958**	**102,636**	**30,688**	**987**	**260,269**
Credit impairment losses	**(15,653)**	**(35,477)**	**(1,434)**	**(3)**	**(52,567)**
Other assets impairment (losses)/ reversal	**(1,640)**	**–**	**–**	**–**	**(1,640)**
Other operating expense					
– Depreciation and amortisation	**(3,718)**	**(5,363)**	**(706)**	**(125)**	**(9,912)**
– Others	**(44,361)**	**(42,599)**	**(5,384)**	**(331)**	**(92,675)**
Profit/(loss) before tax	**60,586**	**19,197**	**23,164**	**528**	**103,475**
Income tax					**(9,246)**
Net profit for the year					**94,229**
Depreciation and amortisation	**(3,718)**	**(5,363)**	**(706)**	**(125)**	**(9,912)**
Capital expenditure	**(38,740)**	**(2,866)**	**(349)**	**(64)**	**(42,019)**

	Year ended 31 December 2023				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
External net interest income/ (expense)	77,146	31,893	55,119	(35)	164,123
Inter-segment net interest income/ (expense)	12,916	41,899	(54,815)	–	–
Net interest income/(expense)	90,062	73,792	304	(35)	164,123
Net fee and commission income	10,015	28,324	4,496	169	43,004
Net gains/(loss) arising from trading activities	5,061	1,322	17,045	(204)	23,224
Net gains/(loss) arising from financial investments	(204)	939	(8)	–	727
Share of profits/(loss) of associates and joint ventures	46	–	(15)	325	356
Other operating income	21,505	4,088	609	378	26,580
Total net operating income	126,485	108,465	22,431	633	258,014
Credit impairment losses	(27,859)	(27,230)	(1,818)	(1)	(56,908)
Other assets impairment (losses)/ reversal	(1,067)	5	–	–	(1,062)
Other operating expense					
– Depreciation and amortisation	(3,492)	(5,197)	(694)	(144)	(9,527)
– Others	(42,669)	(43,063)	(4,673)	(414)	(90,819)
Profit/(loss) before tax	51,398	32,980	15,246	74	99,698
Income tax					(6,446)
Net profit for the year					93,252
Depreciation and amortisation	(3,492)	(5,197)	(694)	(144)	(9,527)
Capital expenditure	(42,813)	(3,578)	(448)	(180)	(47,019)

	As at 31 December 2024				
	Corporate Banking Business	**Personal Banking Business**	**Treasury Business**	**Other Business**	**Total**
Segment assets	**6,182,816**	**2,989,589**	**5,629,611**	**55,949**	**14,857,965**
Including:					
Investments in associates and joint ventures	***4,679***	***1,425***	***–***	***5,497***	***11,601***
Unallocated assets					**42,752**
Total assets					**14,900,717**
Segment liabilities	**(5,376,108)**	**(4,046,983)**	**(4,259,137)**	**(50,512)**	**(13,732,740)**
Unallocated liabilities					**(12,380)**
Total liabilities					**(13,745,120)**

	As at 31 December 2023				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
Segment assets	5,820,739	2,623,109	5,534,582	41,663	14,020,093
Including:					
Investments in associates and joint ventures	*2,457*	*1,429*	*–*	*5,104*	*8,990*
Unallocated assets					40,379
Total assets					14,060,472
Segment liabilities	(5,474,229)	(3,620,670)	(3,802,004)	(57,174)	(12,954,077)
Unallocated liabilities					(6,945)
Total liabilities					(12,961,022)

There were no significant transactions with a single external customer that the Group mainly relied on.

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

13 Liquidity Risk

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date.

	As at 31 December 2024								
	Overdue	Undated	On Demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets									
Cash and balances with central banks	–	638,978	78,121	–	255	–	–	–	717,354
Due from and placements with banks and other financial institutions	–	–	93,623	366,916	130,115	276,049	86,736	20,603	974,042
Derivative financial assets	–	–	–	14,755	18,032	31,446	26,248	9,894	100,375
Loans and advances to customers	45,872	–	–	495,567	472,377	1,934,984	2,358,186	3,044,145	8,351,131
Financial investments at FVTPL	64	76,246	255,515	24,234	52,866	115,567	92,099	39,561	656,152
Financial investments at amortised cost	866	–	–	15,969	31,385	255,440	1,126,341	1,151,792	2,581,793
Financial investments at FVOCI	51	17,523	–	18,993	42,452	119,591	538,425	345,109	1,082,144
Other assets	2,345	270,738	121,891	–	–	5,268	37,484	–	437,726
Total assets	49,198	1,003,485	549,150	936,434	747,482	2,738,345	4,265,519	4,611,104	14,900,717
Liabilities									
Due to and placements from banks and other financial institutions	–	–	(847,347)	(636,263)	(422,021)	(441,503)	(71,322)	(12,995)	(2,431,451)
Financial liabilities at FVTPL	–	(606)	(9,094)	(721)	(4,925)	(19,573)	(15,335)	–	(50,254)
Derivative financial liabilities	–	–	–	(14,660)	(19,381)	(30,633)	(18,996)	(1,803)	(85,473)
Deposits from customers	–	–	(3,125,459)	(614,315)	(809,216)	(1,513,958)	(2,710,169)	(27,218)	(8,800,335)
Other liabilities	–	–	(90,458)	(139,199)	(304,696)	(1,116,700)	(364,000)	(362,554)	(2,377,607)
Total liabilities	–	(606)	(4,072,358)	(1,405,158)	(1,560,239)	(3,122,367)	(3,179,822)	(404,570)	(13,745,120)
Net amount on liquidity gap	49,198	1,002,879	(3,523,208)	(468,724)	(812,757)	(384,022)	1,085,697	4,206,534	1,155,597

	As at 31 December 2023								
	Overdue	Undated	On Demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
Assets									
Cash and balances with central banks	–	695,143	202,550	–	329	–	–	–	898,022
Due from and placements with banks and other financial institutions	–	–	70,015	336,651	131,534	238,325	70,169	12,948	859,642
Derivative financial assets	–	–	–	7,916	14,014	16,290	17,992	11,175	67,387
Loans and advances to customers	46,696	–	–	518,606	485,650	1,847,322	2,117,921	2,755,865	7,772,060
Financial investments at FVTPL	89	70,471	242,065	15,357	51,042	111,629	88,343	63,286	642,282
Financial investments at amortised cost	1,003	–	–	13,927	69,928	194,362	1,107,467	1,187,224	2,573,911
Financial investments at FVOCI	73	14,683	–	18,815	45,034	124,703	449,115	235,526	887,949
Other assets	2,003	247,290	69,547	–	–	4,165	36,214	–	359,219
Total assets	49,864	1,027,587	584,177	911,272	797,531	2,536,796	3,887,221	4,266,024	14,060,472
Liabilities									
Due to and placements from banks and other financial institutions	–	–	(906,104)	(544,069)	(264,549)	(637,782)	(59,622)	(12,411)	(2,424,537)
Financial liabilities at FVTPL	–	(577)	(11,005)	(1,693)	(1,561)	(14,379)	(27,342)	–	(56,557)
Derivative financial liabilities	–	–	–	(7,795)	(12,030)	(18,144)	(10,465)	(2,541)	(50,975)
Deposits from customers	–	–	(3,191,422)	(878,497)	(687,874)	(1,370,261)	(2,423,158)	(3)	(8,551,215)
Other liabilities	–	–	(92,833)	(138,310)	(329,373)	(676,462)	(329,228)	(311,532)	(1,877,738)
Total liabilities	–	(577)	(4,201,364)	(1,570,364)	(1,295,387)	(2,717,028)	(2,849,815)	(326,487)	(12,961,022)
Net amount on liquidity gap	49,864	1,027,010	(3,617,187)	(659,092)	(497,856)	(180,232)	1,037,406	3,939,537	1,099,450

14 Non-adjusting events after Reporting Period

Profit distribution after Reporting Period

On 21 March 2025, the Board of Directors of the Bank proposed to appropriate RMB7,892 million to the statutory reserve and RMB13,779 million to the statutory general reserve. A cash dividend of RMB0.197 (before tax) for each share, totalling RMB14,630 million, calculated based on the total number of shares outstanding of 74,263 million shares (RMB1 per share) as at 31 December 2024 was also proposed. The proposal will be subject to the approval by the General Meeting of Shareholders.

For details of profit distribution, please refer to "V. Other information – (IV) Annual profit distribution" in this announcement.

VIII. PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement will be simultaneously published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, as well as the website of the Bank at www.bankcomm.com. This results announcement is extracted from the 2024 Annual Report prepared in accordance with the IFRSs. The full report will be published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, as well as the website of the Bank at www.bankcomm.com for the reference of shareholders and investors. The 2024 Annual Report, which is prepared in accordance with China Accounting Standard, will be available on the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Bank at www.bankcomm.com. Investors should read the full interim report for details of interim results announcement. The 2024 annual report prepared in accordance with the IFRSs is expected to be dispatched to the shareholders of H shares in April 2025 according to the manner in which they have elected to receive corporate communications.

The announcement is prepared in both Chinese and English. Should there be any inconsistency between the Chinese and English versions, the Chinese version should prevail.

By order of the Board
Bank of Communications Co., Ltd.
Ren Deqi
Chairman of the Board

Shanghai, the PRC
21 March 2025

As at the date of this announcement, the directors of the Bank are Mr. Ren Deqi, Mr. Zhang Baojiang, Mr. Yin Jiuyong, Mr. Zhou Wanfu, Mr. Li Longcheng, Mr. Wang Linping*, Mr. Chang Baosheng*, Mr. Liao, Yi Chien David*, Mr. Chan Siu Chung*, Mr. Mu Guoxin*, Mr. Chen Junkui*, Mr. Luo Xiaopeng*, Mr. Shi Lei#, Mr. Zhang Xiangdong#, Ms. Li Xiaohui#, Mr. Ma Jun#, Mr. Wong Tin Chak# and Mr. Xiao Wei#.*

* *Non-executive directors*
\# *Independent non-executive directors*