AGRICULTURAL BANK OF CHINA LIMITED

中國農業銀行股份有限公司

2024 Pillar 3 Report

Contents

1. Introduction

In accordance with the *Rules on Capital Management of Commercial Banks* (NFRA [2023] No. 4) and relevant regulations, 2024 Pillar 3 Report of Agricultural Bank of China Limited was prepared and disclosed.

The report includes the overview of risk management, key prudential regulatory metrics and risk -weighted assets, composition of capital and TLAC, linkages between financial statements and regulatory exposures, remuneration, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book, macroprudential regulatory measures, leverage ratio, and liquidity risk.

The Bank sets up a sound disclosure governance structure, in which an effective internal control procedure is approved by the Board of Directors and implemented by the Senior Management to reasonably review the disclosure content, in order to ensure the accuracy and reliability of the Pillar 3 disclosures. On 28th March 2025, the Board of Directors of the Bank reviewed and approved this report in the 3rd meeting of 2025.

2. Overview of risk management, key prudential regulatory metrics and risk-weighted assets

2.1 KM1: Key prudential regulatory metrics at consolidated level

In millions of RMB, except for percentages

		a	b	c	d
		31 December 2024	**30 September 2024**	**30 June 2024**	**31 March 2024**
Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital, net	2,582,305	2,536,956	2,461,676	2,461,497
2	Tier 1 capital, net	3,081,864	2,996,528	3,041,241	2,981,070
3	Total capital, net	4,112,653	4,010,473	4,080,093	3,983,317
Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	22,603,866	22,222,837	22,109,317	21,651,943
4a	Total risk-weighted assets (before the capital floor)	22,603,866	22,222,837	22,109,317	21,651,943
Capital adequacy ratio					
5	CET 1 ratio (%)	11.42%	11.42%	11.13%	11.37%
5a	CET 1 ratio (%) (before the capital floor)	11.42%	11.42%	11.13%	11.37%
6	Tier 1 ratio (%)	13.63%	13.48%	13.76%	13.77%
6a	Tier 1 ratio (%) (before the capital floor)	13.63%	13.48%	13.76%	13.77%
7	Total capital ratio (%)	18.19%	18.05%	18.45%	18.40%
7a	Total capital ratio (%) (before the capital floor)	18.19%	18.05%	18.45%	18.40%
Additional CET 1 buffer requirements					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%) [1]	1.00%	1.00%	1.00%	1.00%
11	Total of bank CET1 specific buffer requirements (%) (8+9+10)	3.50%	3.50%	3.50%	3.50%
12	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	6.42%	6.42%	6.13%	6.37%
Leverage ratio					
13	Adjusted on- and off-balance sheet assets	45,291,360	45,291,103	43,664,384	43,916,427
14	Leverage ratio (%) [2]	6.80%	6.62%	6.97%	6.79%

		a	b	c	d
		31 December 2024	**30 September 2024**	**30 June 2024**	**31 March 2024**
14a	Leverage ratio a (%)[3]	6.80%	6.62%	6.97%	6.79%
14b	Leverage ratio b (%)[4]	6.81%	6.62%	6.97%	6.77%
14c	Leverage ratio c (%)[5]	6.81%	6.62%	6.97%	6.77%
Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA)	8,251,837	7,565,521	7,091,625	6,315,951
16	Total net cash outflows	6,297,518	5,973,769	5,896,183	4,815,009
17	LCR (%)	131.03%	126.65%	120.27%	131.17%
Net stable funding ratio					
18	Total available stable funding	29,802,242	29,849,960	29,032,619	29,356,122
19	Total required stable funding	22,877,044	22,479,058	21,995,471	22,285,419
20	NSFR (%)	130.27%	132.79%	131.99%	131.73%

Notes: 1. Line 10, the Group was listed among the Bucket 2 of the global systemically important banks in November 2023 and is required to meet the additional capital of 1.5% by 1 January 2025 according to the regulatory requirements, and implements the additional capital of 1% for Bucket 1 banks during the reporting period.

2. Line 14, leverage ratio includes the impact of any applicable temporary exemption of central bank reserves.

3. Line 14a, leverage ratio a refers to the leverage ratio excluding the impact of any applicable temporary exemption of central bank reserves.

4. Line 14b, leverage ratio b refers to the leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for daily balances of securities financing transaction (SFT) within the most recent quarter.

5. Line 14c, leverage ratio c refers to the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for daily balances of SFT within the most recent quarter.

2.2 OVA: Bank risk management approach

In line with the principle of comprehensive coverage, whole-process management and overall participation, the Bank integrate elements including risk appetite, policies and rules, organizational system, tools and models, data systems, and risk culture for timely identification, measurement, assessment, monitoring, reporting, control or mitigating of major substantive risks in business operation, so as to ensure effective risk management in decision-making, implementation and supervision in the whole Bank.

Risk Appetite

Risk appetite is a term that refers to the levels and types of risks acceptable to and tolerable for the Bank as determined by the Board of Directors of the Bank in order to achieve the strategic targets of the Bank, which depends on the expectations and constraints of our major stakeholders, external operating environment and actual conditions of the Bank.

The Bank's risk appetite is approved by the Board of Directors, and based on regulatory requirements and the Bank's actual business operation and management, and set quantitative indicators for major substantive risks. All business lines, branches and subsidiaries take effective measures to transmit and implement risk appetite requirements into business operation and management, ensuring the coordination between business operations and risk management.

We generally adopt a moderate risk appetite, with a consistent focus on risk prevention and control as the eternal theme of financial work. We ensure both development and security, adhere to the principle of law-compliant and stable operations, proactively give play to our functional role, seek to maintain consistency in security, profitability, and liquidity, as well as a balance among capital, risks, and returns. We are neither aggressive nor conservative in the level of risk bearing. Through undertaking an appropriate level of risk and adopting proactive and effective management, we seek to achieve reasonable returns, maintain sufficient risk provisions and capital adequacy to cover risk losses, and firmly hold the bottom line of preventing systemic financial risks. The Bank continuously improves the risk management system, strengthens the implementation of risk management measures, and enhances the foresight, comprehensiveness, and proactivity of risk prevention and control. We maintain good regulatory ratings and external ratings, providing assurance for realizing our strategic objectives and business plans.

Risk Governance Framework

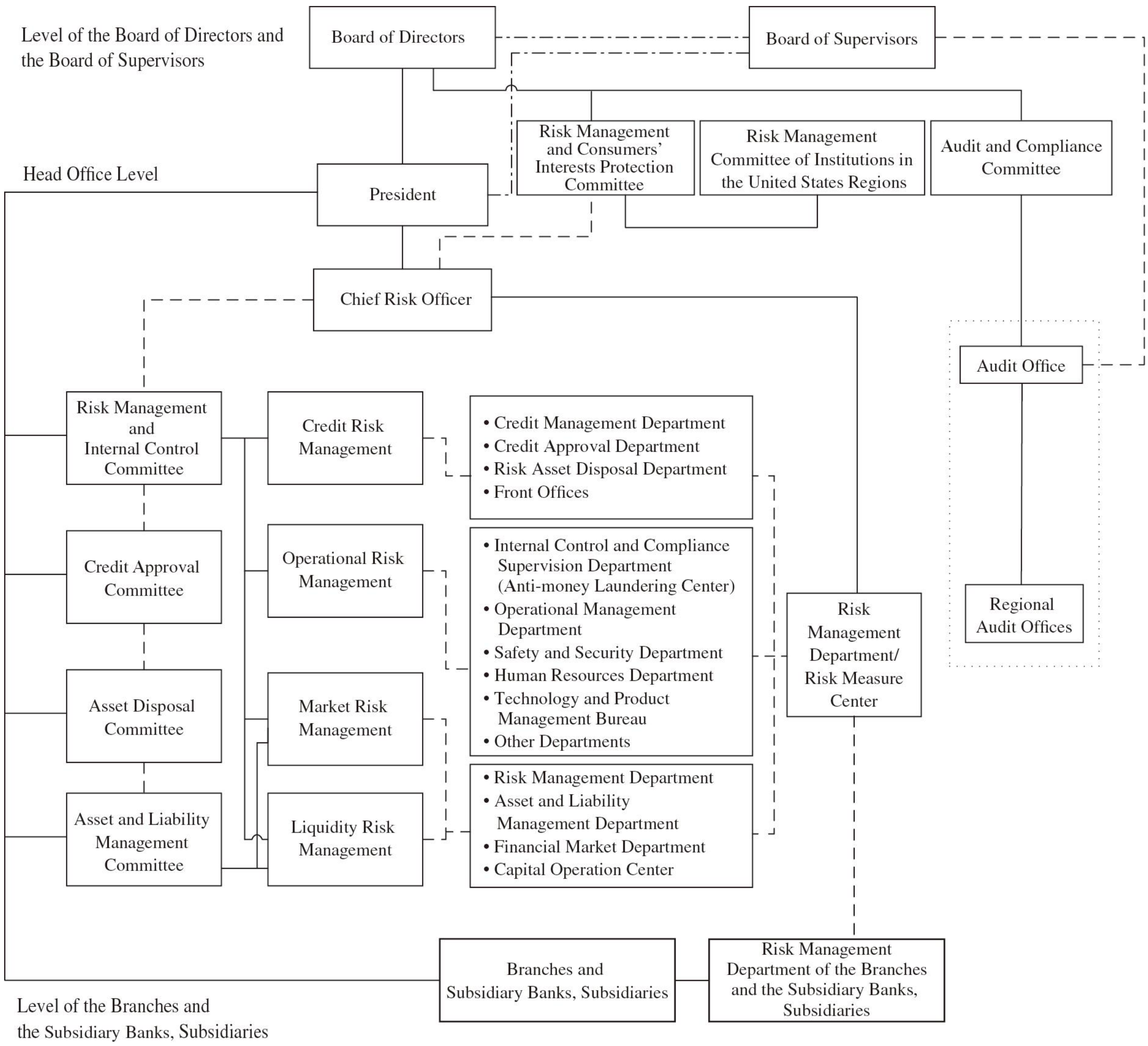
The Board of Directors assumes the ultimate responsibility for risk management. The Risk Management and Consumers' Interests Protection Committee, the Audit and Compliance Committee and the Risk Management Committee of Institutions in the United States Regions under the Board of Directors of the Bank perform the relevant risk management functions, consider the key risk management issues and supervise and evaluate the establishment of risk management system and the risk condition of the Bank.

The Senior Management is the organiser and executor of risk management of the Bank. Under the Senior Management, we have various risk management committees with different functions, including the Risk Management and Internal Control Committee, Credit Approval Committee, Asset and Liability Management Committee and Asset Disposal Committee. Among them, the Risk Management and Internal Control Committee is primarily responsible for organising and coordinating risk and compliance management across the Bank, considering and approving material risk management and compliance management issues.

The Board of Supervisors is responsible for risk management supervision. It supervises and inspects on due diligence of the Board of Directors and the Senior Management in risk management and urges them to make rectifications. It includes relevant supervision and inspection information into the work report of the Board of Supervisors and regularly reports to the shareholders' general meeting.

The Chief Risk Officer of the Bank is to lead the construction of a comprehensive risk management system and the implementation of the Basel Capital Accord, coordinate the establishment of the Bank's organizational structure for risk management, review the implementation of the risk management strategies and risk appetite, review major risk management policies and rules, promote the establishment and improvement of risk management information system and data quality control mechanism, and lead the reporting of the Bank's comprehensive risk management to the Board of Directors and its special committees.

Based on the principle of "overall coverage", we have established the "matrix" risk management organizational system and the "Three Lines of Defense" for risk management comprising the risk bearing departments, risk management departments and internal audit departments.



Note: Risks other than those mentioned above have been included in the comprehensive risk management system.

Major Risk Management Structure

Risk Culture

The Bank adheres to the risk management philosophy of "emphasizing risk, acknowledging risk, examining risk, and controlling risk", always placing risk prevention and control in a more prominent position. We clearly define the risk management responsibilities of each institution, department, and position, ensuring the implementation of risk management responsibilities and guiding all levels of the Bank to integrate risk management requirements into the entire business operation and management process. The Bank establishes a sound risk accountability and due diligence exemption mechanism that ensures alignment of authority and responsibility with integrated incentives and constraints, thereby fostering a sound risk management ecosystem characterized by taking on responsibility, collaborative governance, maintaining integrity and breaking new ground.

The Bank continuously strengthens the development of its risk culture, promoting good risk awareness among all employees. "Non-compliance poses risks and safety brings benefits" is emphasized to encourage employees to maintain good professional ethics and moral character, strictly adhere to rules, fulfill their responsibilities with due diligence, and firmly hold the bottom line of preventing systemic financial risks, thereby safeguarding financial security and realizing the Bank's value.

Risk Measurement System

The Bank faces individual risks such as credit risk, market risk, operational risk, liquidity risk, etc.. The Bank has established a series of risk measurement and assessment methods to measure various risks. For risks that can be quantified, the Bank establishes models to measure risks in accordance with regulatory requirements such as the *Rules on Capital Management of Commercial Banks*. For risks that are difficult to quantify, the Bank establishes special risk assessment mechanisms.

Risk Reporting

The Bank has established a sound risk reporting system, regularly submits comprehensive risk management reports and other individual risk analysis reports to the Board of Directors and the Senior Management, aiding them in conducting effective risk management and making sound decisions. The comprehensive risk management reports submitted to the Board of Directors and the Senior Management cover exposures and positions of the Group's key risk areas, including credit risk, market risk, liquidity risk, and operational risk, meeting the need for obtaining the information required for risk management decision-making.

Stress Testing

The Bank continuously improves its stress testing working mechanism, optimises scenario settings, refines model methods, strengthens data foundations, and reinforces system support, thereby establishing a stress testing system that covers all of the on-and off-balance sheet assets, key risk categories, and specific asset portfolios across the Bank. The Bank employs a combination of statistical analysis, reference to historical scenarios and expert assessment to set stress scenarios, including economic conditions, market fluctuations and stress events of varying severity, reasonably reflecting the current and potential developments of the macroeconomic and financial environments. In terms of stress testing methodologies, the Bank applies scenario analysis, sensitivity analysis, reverse stress testing, and statistical modeling techniques based on different risk categories, testing subjects, and analytical objectives to estimate the impact of stress scenarios on asset quality, profit and loss, RWA, and capital.

The Bank continuously promotes the application of stress testing in multiple areas including strategic decision-making, business planning, risk appetite setting, internal capital adequacy and liquidity assessments, as well as the implementation of risk mitigation measures and contingency plans. Stress testing is gradually becoming an important strategic analysis and risk management tool, enhancing the foresight, proactivity and capabilities of the Bank's risk management.

Risk Management Policies and Systems

The Bank has established a hierarchically clear, scientifically applicable and comprehensive risk management policy and system framework, encompassing basic policies and systems, management measures and regulations, operational procedures and implementation rules for risk management. This framework helps effectively identify, measure, assess, monitor, report, control, or mitigate the overall risks, thereby achieving coordinated management and control of the overall risk level.

Internal Capital Adequacy Assessment Method and Process

The overall framework of the Bank's Internal Capital Adequacy Assessment Process (ICAAP) primarily includes ICAAP governance, risk assessment, ICAAP stress testing, capital planning, internal capital adequacy assessment and reporting. In accordance with the *Rules on Capital Management of Commercial Banks*, the Bank has established an ICAAP mechanism that conforms to our characteristics, building and improving the governance structure and assessment framework of the internal capital adequacy assessment process. Based on a comprehensive risk assessment, the capital requirements of major risks are quantified and aggregated, and the matching of the capital and risk is further assessed through internal capital adequacy stress testing, establishing capital constraint to achieve the organic integration of risk, capital, and business.

Capital Planning and Capital Adequacy Ratio Management Plan

In accordance with the *Rules on Capital Management of Commercial Banks*, the Bank formulated the capital planning and capital adequacy ratio management plan to ensure that the target capital level aligns with business development strategies, risk appetite, risk management levels, and external operating environments. During the reporting period, the Bank implemented the *Capital Plan for 2022-2024 of Agricultural Bank of China Limited* with good performance, meeting the target and annual capital adequacy ratio management plan during the planning period. The *Capital Plan for 2025-2027 of Agricultural Bank of China Limited* has been completed and approved by the Board of Directors. The Bank has made solid progress in implementing the *Rules on Capital Management of Commercial Banks*, continuously enhancing capital conservation, release and replenishment, deepening the transmission of capital constraints and value returns, and optimising and improving the capital management mechanisms and systems. The effectiveness of capital management has been continuously released, which significantly enhances the strategic support capability for the Bank's high-quality development, with capital adequacy levels consistently meeting regulatory requirements.

2.3 OV1: Overview of risk-weighted assets

The Bank measured the capital adequacy ratios in accordance with the *Rules on Capital Management of Commercial Banks*, adopted the foundation internal ratings-based (IRB) approach for non-retail exposure and advanced IRB approach for retail exposure to measure credit RWA, standardised approach to measure credit RWA uncovered by IRB approach, and standardised measurement approach to measure market risk RWA, and standardised measurement approach to measure operational risk RWA.

In millions of RMB

		a	b	c
		RWA		**Minimum capital requirements[1]**
		31 December 2024	**30 September 2024**	**31 December 2024**
1	Credit risk	20,958,637	20,473,716	1,676,692
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book, and securitisation exposures in banking book)	20,870,856	20,353,338	1,669,669
3	Of which: standardised approach	7,344,598	6,960,262	587,568
4	Of which: risk exposures that arise during the clearing of securities, commodities, and foreign exchange transactions	-	-	-
5	Of which: amounts below the thresholds for deduction	414,647	434,534	33,172
6	Of which: foundation internal ratings-based approach	11,516,044	11,422,621	921,284
7	Of which: supervisory slotting approach	-	-	-
8	Of which: advanced internal ratings-based approach	2,010,214	1,970,455	160,817
9	Counterparty credit risk	34,094	62,753	2,728
10	Of which: standardised approach	34,094	62,753	2,728
11	Of which: current exposure method	-	-	-
12	Of which: other approaches	-	-	-
13	Credit valuation adjustments risk	9,485	13,360	759
14	Asset management products in banking book	40,617	39,791	3,250
15	Of which: look-through approach	4,136	3,880	331
16	Of which: mandate-based approach	36,547	36,242	2,924
17	Of which: 1250% risk weight applied	665	632	53
	Of which: leverage adjustment	(731)	(963)	(58)
18	Securitisation exposures in banking book[2]	3,585	4,474	286

		a	b	c
		RWA		Minimum capital requirements[1]
		31 December 2024	30 September 2024	31 December 2024
19	Of which: securitisation internal ratings-based approach	-	-	-
20	Of which: securitisation external ratings-based approach	242	980	19
21	Of which: securitisation standardised approach	3,341	3,739	267
	Of which: 1250% risk weight applied	2	3	-
	Of which: adjustments subject to regulatory cap	-	(248)	-
22	Market risk	157,465	260,304	12,597
23	Of which: standardised approach	157,465	260,304	12,597
24	Of which: internal model approach	-	-	-
25	Of which: simplified standardised approach	-	-	-
26	Capital requirement for switch between trading book and banking book	-	-	-
27	Operational risk	1,487,764	1,488,817	119,021
28	Additional adjustment due to application of capital floor	-	-	
29	**Total**	**22,603,866**	**22,222,837**	**1,808,310**

Notes: 1. Column c, minimum capital requirements：the required Pillar 1 capital at the end of the reporting period is equal to the amount of RWA multiplied by 8%.

2.Line 18, The RWA for securitisation exposures in banking book includes the balances of lines 19, 20 and 21, the "1250% risk weight applied" and the "adjustments subject to regulatory cap" items. Specifically, "adjustments subject to regulatory cap" for the current period corresponds to lines 19, 20 and 21 and "1250% risk weight applied" according to the measurement method.

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3. Composition of capital and TLAC

3.1 CCA: Main features of regulatory capital instruments and other TLAC eligible instruments

For the main features of relevant capital instruments on December 31, 2024, refer to: http://www.abchina.com.cn/en/investor-relations/pillar3/InstrumentFeatures/.

3.2 CC1: Composition of regulatory capital

In millions of RMB, except for percentages

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
		31 December 2024	
Common Equity Tier 1 capital			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	523,403	d+e
2	Retained earnings	1,984,012	g+h+i
2a	Surplus reserve	301,746	g
2b	General reserve	532,899	h
2c	Retained profits	1,149,367	i
3	Accumulated other comprehensive income (and other reserves)	85,198	f
4	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	61	j
5	**Common Equity Tier 1 capital before regulatory adjustments**	**2,592,674**	
Common Equity Tier 1 capital: regulatory adjustments			
6	Prudent valuation adjustments	-	
7	Goodwill (net of related tax liability)	-	c
8	Other intangibles other than land use rights (net of related tax liability)	10,363	a-b
9	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	6	
10	Cash flow reserves formed by hedging items not measured at fair value	-	
11	Shortfall of provisions to expected losses	-	
12	Securitisation gain on sale	-	

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2024	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets (after deducting deferred tax liabilities)	-	
15	Directly or indirectly held common stocks of this bank	-	
16	Cross-holdings in Common Equity Tier 1 capital between banks or between other financial institutions through agreements	-	
17	The amount to be deducted from non-significant minority investments in Common Equity Tier 1 capital of banking, financial and insurance entitles that are outside the scope of regulatory consolidation	-	
18	The amount to be deducted from significant minority investments in Common Equity Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
19	The amount to be deducted from other net deferred tax assets that depend on the bank's future profits	-	
20	The amount to be deducted from the non-deducted portion of Common Equity Tier 1 capital in significant minority capital investments in unconsolidated financial institutions and other net deferred tax assets that depend on future profits of banks (amount exceeding that 15% threshold)	-	
21	Of which: significant minority investments in the Common Equity Tier 1 capital of financial entities	-	
22	Of which: net deferred tax assets depend on the bank's future profits	-	
23	Total of other items that should be deducted from Common Equity Tier 1 capital	-	
24	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
25	**Total regulatory adjustments to Common Equity Tier 1**	**10,369**	
26	**Common Equity Tier 1 capital, net**	**2,582,305**	
Additional Tier 1 capital: instruments			
27	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	500,000	
28	Of which: classified as equity	500,000	
29	Of which: classified as liabilities	0	
30	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	8	k
31	**Additional Tier 1 capital before regulatory adjustments**	**500,008**	
Additional Tier 1 capital: regulatory adjustments			

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2024	
32	Directly or indirectly investment in own Additional Tier 1 instruments	-	
33	Cross-holdings in Additional Tier 1 capital between banks or between other financial institutions through agreements	-	
34	The amount to be deducted from non-significant minority investments in the Additional Tier 1 capital of banking financial and insurance entitles that are outside the scope of regulatory consolidation	-	
35	Significant minority investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	449	
36	Total of other items that should be deducted from the Additional Tier 1 capital	-	
37	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
38	**Total regulatory adjustments to Additional Tier 1 capital**	**449**	
39	**Additional Tier 1 capital**	**499,559**	
40	**Tier 1 capital**	**3,081,864**	
Tier 2 capital			
41	Directly issued qualifying Tier 2 instruments plus related stock surplus	519,962	
42	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	16	
43	Excess loss provisions	511,248	
44	**Tier 2 capital before regulatory adjustments**	**1,031,226**	
Tier 2 capital: regulatory adjustments			
45	Directly or indirectly investment in own Tier 2 instruments	-	
46	Cross-holdings in Tier 2 capital and other TLAC liabilities between banks or between other financial institutions through agreements	-	
47	The amount to be deducted from non-significant minority investments in the capital and other financial and insurance entities that are outside the scope of regulatory consolidation	-	
47a	Deductible amount from TLAC liability in non-significant investment in unconsolidated financial institutions (applicable only to globally systemically important banks)	-	
48	The amount to be deducted from significant minority investments in the capital and other financial and insurance entities that are outside the scope of regulatory consolidation	437	

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
		31 December 2024	
48a	Deductible amount from TLAC liability in significant investments in unconsolidated financial institutions (applicable only to globally systemically important banks)	-	
49	Total other items that should be deducted from Tier 2 capital	-	
50	**Total regulatory adjustments to Tier 2 capital**	**437**	
51	**Tier 2 capital**	**1,030,789**	
52	**Total regulatory capital**	**4,112,653**	
53	**Total risk-weighted assets**	**22,603,866**	
Capital ratios and buffers			
54	**CET 1 ratio**	**11.42%**	
55	**Tier 1 ratio**	**13.63%**	
56	**Total capital ratio**	**18.19%**	
57	**Institution-specific buffer requirement (%)**	**3.5%**	
58	Of which: capital conservation buffer requirement	2.5%	
59	Of which: bank-specific countercyclical buffer requirement	0.0%	
60	Of which: additional capital requirements for global or domestic systemically important banks	1.0%	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	**6.42%**	
National minima			
62	National minimum Common Equity Tier 1 ratio	5%	
63	National minimum Tier 1 ratio	6%	
64	National minimum total capital ratio	8%	
Amounts below the thresholds for deduction			
65	Non-significant minority investments in the capital of other unconsolidated financial institutions	180,988	
65a	Non-significant investments in the capital and other TLAC liabilities of other unconsolidated financial institutions (for G-SIBs only)	28,244	
66	Significant minority investments in the capital of other unconsolidated financial institutions	5,248	
67	Other net deferred tax assets relying on the profits of banks (net of deferred tax liability)	148,001	
Applicable caps on the inclusion of provisions in Tier 2			
68	Excess loss provisions accrued subject to standardised approach	165,203	

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
		31 December 2024	
69	Excess loss provisions eligible for inclusion in Tier 2 capital under the standardised approach	91,626	
70	Excess loss provisions accrued subject to IRB approach	486,318	
71	Excess loss provisions eligible for inclusion in Tier 2 capital under the IRB approach	419,622	

3.3 CC2: Reconciliation of regulatory capital to balance sheet

The differences between the balance sheet under accounting consolidation and that under regulatory consolidation are shown in the table below.

In millions of RMB

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
		31 December 2024		
Assets				
1	Cash and balances with central banks	2,134,452	2,134,452	
2	Deposits with banks and other financial institutions	571,956	545,233	
3	Precious metals	115,253	115,253	
4	Placements with and loans to banks and other financial institutions	529,767	529,767	
5	Derivative financial assets	65,920	65,920	
6	Financial assets held under resale agreements	1,371,571	1,371,474	
7	Loans and advances to customers	23,977,013	23,977,013	
8	Financial investments	13,849,103	13,668,375	
9	Financial assets at fair value through profit or loss	513,306	461,247	
10	Debt instrument investments at amortized cost	9,905,633	9,886,476	
11	Other debt instrument and other equity investments at fair value through other comprehensive income	3,430,164	3,320,652	
12	Investment in associates and joint ventures	10,332	14,160	
13	Property and equipment	140,803	140,038	
14	Construction in progress	13,681	13,678	
15	Intangible assets	29,105	28,842	a
	Of which: Land use rights	18,479	18,479	b
16	Goodwill	1,381	-	c
17	Deferred tax assets	148,009	148,007	
18	Other assets	279,789	287,991	
19	**Total assets**	**43,238,135**	**43,040,203**	
Liabilities				
20	Borrowings from central banks	847,324	847,324	
21	Deposits from banks and other financial	4,667,561	4,679,561	

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		31 December 2024		
	institutions			
22	Placements from banks and other financial institutions	364,022	364,022	
23	Financial liabilities at fair value through profit or loss	15,841	15,841	
24	Derivative financial liabilities	58,146	58,146	
25	Financial assets sold under repurchase agreements	615,725	605,041	
26	Due to customers	30,305,357	30,305,357	
27	Staff costs payable	87,803	87,436	
28	Taxes payable	15,175	15,173	
29	Dividends payable	40,738	40,738	
30	Provisions	35,669	35,667	
31	Debt securities issued	2,678,509	2,673,309	
32	Deferred tax liabilities	309	160	
33	Other liabilities	408,683	217,162	
34	**Total liabilities**	**40,140,862**	**39,944,937**	
Shareholders' equity				
35	Ordinary shares	349,983	349,983	d
36	Other equity instruments	500,000	500,000	
37	Of which: Preference shares	80,000	80,000	
38	Perpetual bonds	420,000	420,000	
39	Capital reserve	173,419	173,420	e
40	Other comprehensive income	81,816	85,198	f
41	Surplus reserve	301,841	301,746	g
42	General reserve	532,991	532,899	h
43	Retained profits	1,150,758	1,149,367	i
44	Non-controlling interests	6,465	2,653	
	Of which: Amounts includable in Common Equity Tier 1 capital	-	61	j
	Of which: Amounts includable in Additional Tier 1 capital	-	8	k
45	**Total equity**	**3,097,273**	**3,095,266**	

In accordance with regulatory requirements, compared with the scope of financial consolidation, the scope of regulatory consolidation does not include controlling insurance subsidiaries and commercial and industrial enterprises, and the major differences in insurance subsidiaries are as follows:

Company name	Business type	Included in financial consolidation or not	Included in regulatory consolidation or not
ABC Life Insurance Co., Ltd.	Insurance	Yes	No

Notes: For details of ABC Life Insurance Co., Ltd., please refer to the 2024 Annual Report of Agricultural Bank of China Limited.

4. Linkages between financial statements and regulatory exposures

4.1 LIA: Explanations of differences between accounting and regulatory exposure amounts

In accordance with regulatory requirements, compared with the scope of financial consolidation, the scope of regulatory consolidation does not include controlling insurance subsidiaries and commercial and industrial enterprises. The main differences between the Bank's regulatory risk exposure values and the carrying values in the financial statements mainly include those caused by off-balance sheet items and impairment provisions.

Valuation System

In accordance with accounting standards and relevant regulatory requirements, for financial instruments with active markets, the Bank uses market prices as the best basis for their fair value determination. For financial instruments without market prices, the Bank uses discounted values or other valuation formulas to determine their valuation of financial instruments based on available market data (such as interest rates, exchange rates, and volatilities). The Bank has standardised the responsibilities, internal controls and methodological processes of accounting valuations, establishing an effective governance structure and control procedures to ensure the objectivity, accuracy, and consistency of valuations.The Bank has established a multi-level accounting valuation price verification system, acquiring the market data needed for valuation and verifying the valuation parameters of the market data. The Bank uses cross-platform valuation robots to scan market data, identify anomalies, and issue alerts. A valuation fluctuation monitoring mechanism classified by accounting categories is established to logically validate valuation results, trace and verify the completeness and accuracy of prices. On key reporting dates, the integrity and accuracy of prices are verified based on the cross-checking by the valuation robots, with a focus on abnormal valuation fluctuations.

Insurance Subsidiary Information

In accordance with the *Rules on Capital Management of Commercial Banks*, insurance companies are not included in the scope of regulatory consolidation. When calculating consolidated and unconsolidated capital adequacy ratios, the Bank deducts its capital investment in insurance companies in accordance with the applicable regulatory rules and does not include surplus reserves of insurance subsidiaries.

5. Remuneration

5.1 REMA: Remuneration policy

Nomination and Remuneration Committee under the Board of Directors

At the end of 2024, the Bank's Nomination and Remuneration Committee under the Board of Directors was composed of six directors, including Executive Director Mr. WANG Zhiheng, Non-executive Directors Ms. ZHOU Ji, Mr. LI Wei, and Independent Non-executive Directors Mr. JU Jiandong, Mr. WU Liansheng, and Mr. WANG Changyun. Mr. JU Jiandong is the Chairman of the Nomination and Remuneration Committee under the Board of Directors.

The primary duties of the Nomination and Remuneration Committee are to formulate selection and appointment standards and review procedures of the Bank's directors, chairman and members of all special committees under the Board of Directors and the Senior Management members, and submit them to the Board of Directors for decision; conduct preliminary reviews and make recommendations to the Board of Directors on the qualifications and conditions of directors, the President, the Board Secretary, and the Vice President, as well as other Senior Management members nominated by the President; make recommendations to the Board of Directors on the candidates for directors and the President; nominate the chairman (except for the Chairman of the Strategic Planning and Sustainable Development Committee) and members of other special committees under the Board of Directors; listen to reports on the training plans for the Senior Management members and key backup talent; propose remuneration distribution plans based on the performance assessments of directors and the Senior Management members, and submit such plans to the Board of Directors for review; review the policies and basic management systems of human resources and remuneration submitted by the Senior Management, and submit them to the Board of Directors for decision and oversee the implementation of relevant policies and basic management systems; address other matters as stipulated by laws, administrative regulations, departmental rules, and the regulations of the securities regulatory authority where the Bank's shares are listed, as well as authorized by the Board of Directors.

In 2024, the Nomination and Remuneration Committee under the Board of Directors held eight meetings.

Determination and Distribution of Remuneration

The Bank formulates and adjusts the remuneration policy in strict accordance with relevant laws and regulations, regulatory requirements, and requirements under the corporate governance of the Bank. In order to attract, retain and incentivise employees, the Bank implements a position-based wage system on the principles that the salary and bonus are determined based on positions, capabilities and performance and vary with positions, continuously improves the remuneration system in line with the operational and management needs of a modern commercial bank. The employee remuneration policy applies to all contract employees of the Bank, whereby the employees' pay levels are determined based on such factors as position value, short-term and long-term performance.

The Bank reasonably determines the remuneration of employees of risk and compliance departments. The remuneration standard is linked with such factors as employees' personal ability, performance appraisal, without direct relation to their supervisory businesses in order to maintain independence.

Remuneration and Risks

The Bank establishes a sound remuneration distribution mechanism that reflects both current performance and covers responsibilities for long-term risk. The Bank established a performance-based salary deferred payment and recall system for employees who assume responsibilities for material risks and have a material impact on the Bank's risk profile. Having considered the actual performance and time-lag risks, part of the payment would be made after expiry of the deferred payment period, thereby linking the employees' current and long-term responsibilities and contributions with the development and time-lag risk of the Bank. If significant losses of risk exposures are incurred within their sphere of responsibility during their employment, the Bank can recall part or all of performance-related remuneration paid in relevant period and stop further payments.

Remuneration and Performance

In compliance with the requirements by national authorities, the Bank establishes a remuneration system based on the performance of the Bank and the performance appraisal. According to the remuneration management system, the remuneration of the Bank's institutions is associated with the operating results of the institutions and the appraisal results, and the remuneration of employees is associated with the performance appraisal results of the institutions and individuals. The performance appraisal of the Bank includes the assessment on the performance indicator, risk indicator and other indicators of sustainable development, reflecting long-term performance and risk profile in aggregate. According to the performance appraisal results, the Bank adjusts the pay level by means of salary distribution, deferred payment and other forms.

Variable Remuneration

The Bank's variable remuneration primarily comprises of performance-based pay (including deferred payment, etc.), which is paid in cash. Variable remuneration is allocated based on factors including the current and long-term contributions of employees and risk profile. If a cut of a performance-based pay and deferred payment is applicable under relevant rules and stipulations, the variable remuneration shall be adjusted accordingly.

6. Credit risk

6.1 CRA: General qualitative information about credit risk

Credit Risk Management Framework

Credit risk refers to the risk of loss to the Bank as a result of a debtor's (or counterparty's) default or a reduction in its credit rating or performance capability. The Bank's credit risk mainly lies in the loan portfolio, investment portfolio, guarantee business and various other on- and off-balance sheet credit risk exposures. The Bank's objectives of credit risk management are to adhere to its risk appetite, and assume appropriate level of credit risk and earn returns commensurate with respective risks assumed based on its credit risk management capability and capital level, as well as lower and control the loss for risk as a result of the default of obligator or counterparty, or the downgrading of credit ratings or the weakening of contractual capability.

The Bank authorises the branches to conduct business and delegation according to the risk management capability of the branches, and all businesses undertaking credit risk shall be conducted in accordance with procedures and permissions. The Bank designs and implements the credit business process based on credit scale, complexity and risk characteristics on the basic principles of "separation of the checking process with the actual lending, restriction of authority, symmetry of right and responsibility, clearness and high-efficiency". The Bank establishes a hierarchical management system. The Bank determines the customer managing bank based on customer marketing maintenance and requirements of risk management. The customer department of the customer management bank conducts daily management of customers. Credit management departments and risk management departments at all levels supervise and control customer risks, oversee the post-lending management of business departments, until the loan recovers. Where there are non-performing assets (including loans), disposal departments of non-performing assets will take over the non-performing assets under required procedures and permissions by various disposal means.

Policies and Limits of Credit Risk Management

The Bank has gradually established a sound credit risk management policy system, based on the needs of business development and comprehensive risk management, including credit risk management measures of credit reviewing and approval, limit management, internal rating, credit authority, credit management, collateral management, post-lending management, risk classification, disposal and write-offs, etc. to make sure each risk management activity complying with regulations. The Bank continuously clarifies and perfects the specific management measures and operation procedures of each business, product, customer operation for each department and business line, ensuring that the credit risk management policy system is comprehensively implemented.

Based on national macroeconomic and industry policies, regulatory requirements, the Bank's operational strategy and risk appetite, the Bank has established a "three-in-one policy" system, which includes annual credit policy guidelines, industry-specific credit policies and regional credit policies, clearly defining the credit risk management strategy. The Bank has also established a credit risk limit management system, including industry-specific credit limit management.

Organizational Structure of Credit Risk Management

The structure of our credit risk management mainly comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee, the Senior Management and its Risk Management and Internal Control Committee, Credit Approval Committee, Asset Disposal Committee, as well as the Credit Management Department, Credit Approval Department, Risk Asset Disposal Department, Internal Control and Compliance Supervision Department, Audit Department, and various front offices. The Board of Supervisors assumes the supervisory responsibility for credit risk management, overseeing and inspecting the performance of the Board of Directors and the Senior Management in fulfilling their credit risk management duties, and urging them to make rectifications.

Relationship Between Credit Risk Management, Risk Control, Compliance and Internal Audit Department

The Bank has established "three lines of defense" in credit risk management. The departments that assume credit risks, such as the Financial Market Department, Corporate Banking Department, Investment Banking Department, Inclusive Finance Division, Big Client Department, Institutional Banking Department, Retail Loan Department, Private Banking Department, County Area Policy and Business Innovation Department, County Area Corporate Banking Department, Rural Households Banking Department, International Banking Department, Internet Banking Department, Risk Asset Disposal Department and Credit Card

Centre, are the "first line of defense" in credit risk management, responsible for managing credit risks within their respective lines of business. The Credit Management Department, Risk Management Department, Credit Approval Department, Internal Control and Compliance Supervision Department and others form the "second line of defense", guiding and supervising the credit risk management activities of the first line of defense. The Internal Audit Department is the "third line of defense", supervising and evaluating the adequacy and effectiveness of credit risk management of the first and second lines of defense.

Credit Risk Reporting

In accordance with the Bank's comprehensive risk management needs, the Bank submits credit risk analysis reports to the Senior Management regularly. A semi-annual credit risk management report is written and included in the comprehensive risk management report, which is reviewed by the Senior Management, the Board of Directors, and the Board of Supervisors in accordance with regulations. The Bank has established a mechanism for reporting significant credit risk information related to corporate customers, requiring all tier-1 branches and subsidiaries with operations to report major credit risk information for large corporate customers within their jurisdiction to the Head Office in a timely manner, and to report to the Senior Management when necessary.

6.2 CR5-2: Standardised approach – Credit risk exposure and credit conversion factor (categorized by risk weight)

In millions of RMB, except for coefficients

	Risk weight	a	b	c	d
		31 December 2024			
		On-balance sheet exposure	**Off-balance sheet exposure (pre-CCF)**	**Weighted average CCF**	**Exposure (post-CCF and post-CRM)**
1	Less than 40%	14,204,704	583,243	84.73%	14,649,944
2	40-70%	1,250,137	31,187	25.42%	1,251,054
3	75%	2,808,998	707,202	10.30%	2,784,866
4	85%	59,806	20,734	43.54%	66,973
5	90-100%	1,728,649	606,459	57.81%	2,017,794
6	105-130%	49,239	25,638	1.11%	48,420
7	150%	149,268	251	9.16%	149,234
8	250%	278,502	-	-	278,502
9	400%	3,722	-	-	3,722
10	1250%	18,466	-	-	18,466
11	**Total exposures**	**20,551,491**	**1,974,714**	**47.35%**	**21,268,975**

6.3 CRE: Qualitative disclosures related to IRB models

Model Management System

The Bank has established and continuously improved the model management mechanism and processes, ensuring that model development, validation and auditing are independent from each other. The Senior Management is responsible for approving internal rating models. The Risk Management Department's model development unit is responsible for the development, monitoring and optimisation of internal rating models, and an independent model validation unit is established to validate the models. The customer and business departments use the models for ratings and apply the model results to business management. The information management departments and technology departments provide data and technical support for model implementation. The audit departments are responsible for auditing the models and reporting to the Board of Directors.

Model Reporting

The Bank continuously monitors the operation of the internal rating system and reports to the Senior Management, conducting regular internal rating system validations and reporting to the Board of Directors. Relevant reports include governance of ratings, rating distributions and migrations, rating processes and overrides, as well as the risk differentiation capability, accuracy, and stability of rating models, etc..

Foundation IRB Models

In 2014, the Bank received approval from the former CBRC to implement the non-retail foundation internal ratings-based approach at the Head Office and domestic branch levels, covering corporate risk exposures and banks risk exposures. The regulatory authority approved a total of 31 probability of default (PD) models for the Bank, including 26 corporate rating models and 5 banks rating models.

The Bank's non-retail PD model is used to measure the probability of default on the Bank's debt by non-retail customers within the next year. The model is based on years of default data, fully reflecting long-term and cross-cycle characteristics. It employs statistical methods commonly used in the industry, such as logistic regression, and categorises different models based on customer risk characteristics and industry attributes. The model comprehensively considers both systemic risk factors and individual risk factors, with different models selecting different indicators to reflect the default risk characteristics of customers. For low-default portfolios such as banks, the Bank adopts the external benchmark method to establish PD models. The Bank's non-retail PD strictly adheres to regulatory minimum requirements.

Advanced IRB Models

In 2014, the Bank received approval from the former CBRC to implement the retail advanced internal rating method at the Head Office and domestic branch levels by constructing risk pools to estimate PD, loss given default(LGD) and exposure at default(EAD), covering residential mortgage exposures, retail qualifying revolving and other retail exposures. The regulatory authority approved the Bank's 7 risk pool models, including 3 PD models, 3 LGD models and 1 credit conversion factor model.

The Bank's PD model is used to predict the likelihood of default on retail loans within the next year, categorised by loan type, aging, rating, and other risk characteristics. Based on years of data, the PD fully reflects the effects of risk maturity and cross-cycle characteristics. The LGD model predicts the extent of losses due to retail loan defaults, categorised by loan type, collateral status and other risk characteristics. The LGD is based on the corresponding collection periods for different loan types and considers adjustments for economic downturn periods. The credit conversion factor model is used to predict the expected drawdown ratio when off-balance sheet portions of revolving retail loans default, allowing for the measurement of exposure at default (EAD). The credit conversion factor model pools categorised by credit utilization, repayment behavior, and other risk characteristics. The Bank's retail risk parameters strictly adhere to regulatory minimum requirements.

The Bank continuously strengthens internal rating management, standardises model usage, and rigorously follows rating processes to enhance the prudence of rating results, ensuring that the PD represented by ratings are higher than the actual default rates. The Bank strengthens rating monitoring, continuously improving the sensitivity of ratings and the timeliness of default recognition. Through these measures, the internal rating system of the Bank operates smoothly, with high model differentiation capability, good accuracy and stability.

At the end of 2024, for the Bank, the proportion of EAD covered by non-retail foundation IRB approach to the total EAD was 39.08%, and the proportion of credit RWA measured by non-retail foundation IRB approach to the total credit RWA was 55.18%; the proportion of EAD covered by retail advanced IRB approach to the total EAD was 14.59%, and the proportion of credit RWA measured by retail advanced IRB approach to the total credit RWA was 9.63%.

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6.4 CR6: IRB – Credit risk exposures by portfolio and probability of default range

As of December 31, 2024, the risk exposures covered by foundation IRB by interval of PD are shown in the table below.

In millions of RMB, except for coefficients, number of obligors, and maturity

	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2024											
PD scale (%)	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Risk exposure category Banks												
[0.00,0.15)	3,818,776	8,860	38.05%	3,822,147	0.07%	215	45.00%	2.25	1,101,241	28.81%	1,248	
[0.15,0.25)	29,681	574	50.00%	29,968	0.24%	12	45.00%	1.01	10,516	35.09%	33	
[0.25,0.50)	198,990	3,833	64.17%	201,449	0.35%	40	45.00%	1.74	114,703	56.94%	315	
[0.50,0.75)	308,145	4,515	64.25%	311,046	0.63%	119	45.00%	1.05	216,879	69.73%	883	
[0.75,2.50)	204,721	25,461	38.02%	214,401	1.04%	118	44.99%	1.44	199,753	93.17%	989	
[2.50,10.00)	8,405	539	30.48%	8,569	4.54%	22	45.00%	2.08	12,317	143.74%	130	
[10.00,100.00)	189	-	-	189	15.72%	1	45.00%	2.50	493	260.98%	13	
100(default)	344	-	-	344	100.00%	1	45.00%	2.50	-	-	282	
Sub-total	4,569,251	43,782	43.08%	4,588,113	0.19%	528	45.00%	2.08	1,655,902	36.09%	3,893	26,147
Risk exposure category Corporate												
[0.00,0.15)	1,926,562	352,128	21.48%	2,002,211	0.09%	678	39.92%	2.50	467,641	23.36%	681	
[0.15,0.25)	397,321	155,958	29.27%	442,965	0.24%	165	39.91%	2.50	193,027	43.58%	427	

PD scale (%)	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2024											
	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
[0.25,0.50)	699,561	275,680	43.60%	819,768	0.39%	801	39.69%	2.50	449,038	54.78%	1,276	
[0.50,0.75)	1,857,952	809,288	30.12%	2,101,706	0.63%	6,067	39.34%	2.50	1,402,643	66.74%	5,462	
[0.75,2.50)	5,475,712	2,175,360	27.80%	6,080,545	1.54%	28,467	38.62%	2.50	5,183,797	85.25%	37,216	
[2.50,10.00)	1,621,712	450,068	35.64%	1,782,119	4.48%	24,846	37.23%	2.50	1,919,070	107.68%	30,252	
[10.00,100.00)	111,845	26,435	89.39%	135,474	30.54%	2,124	35.70%	2.50	198,727	146.69%	15,527	
100(default)	163,840	3,487	43.22%	165,347	100.00%	2,208	38.15%	2.50	46,199	27.94%	105,258	
Sub-total	12,254,505	4,248,404	30.03%	13,530,135	2.95%	65,356	38.81%	2.50	9,860,142	72.88%	196,099	585,286
Of which:												
Risk exposure category Corporate – Specialised Lending												
[0.00,0.15)	143,771	23,184	3.26%	144,526	0.10%	63	39.94%	2.50	37,130	25.69%	57	
[0.15,0.25)	15,747	7,315	12.59%	16,667	0.24%	12	40.00%	2.50	7,299	43.79%	16	
[0.25,0.50)	169,538	51,550	2.38%	170,763	0.40%	97	39.99%	2.50	95,546	55.95%	271	
[0.50,0.75)	707,988	264,259	3.92%	718,356	0.63%	1,239	39.92%	2.50	493,051	68.64%	1,792	
[0.75,2.50)	798,965	384,509	3.61%	812,844	1.41%	2,176	39.14%	2.50	711,113	87.48%	4,850	
[2.50,10.00)	102,794	38,425	2.29%	103,676	4.17%	490	39.69%	2.50	126,676	122.18%	1,993	
[10.00,100.00)	10,734	31	19.13%	10,740	22.61%	31	37.49%	2.50	14,999	139.65%	1,571	
100(default)	9,415	585	48.83%	9,701	100.00%	32	39.13%	2.50	3,639	37.52%	5,744	
Sub-total	1,958,952	769,858	3.68%	1,987,273	1.68%	4,140	39.58%	2.50	1,489,453	74.95%	16,294	77,584
Total (all exposures)	**16,823,756**	**4,292,186**	**30.16%**	**18,118,248**	**2.29%**	**65,884**	**40.29%**	**2.40**	**11,516,044**	**63.56%**	**199,992**	**611,433**

As of December 31, 2024, the risk exposures covered by advanced IRB by PD interval are shown in the table below.

In millions of RMB, except for coefficients, number of obligors, and maturity

PD scale (%)	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2024											
	Original on-balance sheet gross exposure	**Off-balance sheet exposures (pre-CCF)**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD (EAD Weighted)**	**Number of obligors[1]**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Provisions**
Risk exposure category Retail – Residential mortgage exposures												
[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
[0.15,0.25)	16,874	24	11.60%	16,876	0.19%	37,705	21.80%	-	1,435	8.50%	7	
[0.25,0.50)	3,265,540	524	27.32%	3,265,683	0.40%	7,767,803	24.96%	-	549,912	16.84%	3,275	
[0.50,0.75)	967,255	32	22.79%	967,262	0.51%	1,601,362	27.71%	-	212,420	21.96%	1,352	
[0.75,2.50)	502,558	21,197	13.18%	505,351	1.06%	1,457,461	25.41%	-	169,623	33.57%	1,376	
[2.50,10.00)	96,757	360	24.22%	96,845	5.15%	275,825	25.51%	-	82,423	85.11%	1,276	
[10.00,100.00)	87,724	8	35.70%	87,727	43.80%	221,704	26.26%	-	106,549	121.46%	10,177	
100(default)	36,063	2	26.14%	36,063	100.00%	79,221	40.65%	-	42,647	118.25%	14,661	
Sub-total	4,972,771	22,147	13.71%	4,975,807	2.07%	11,441,081	25.68%	-	1,165,009	23.41%	32,124	119,084
Risk exposure category Retail qualifying revolving (QRRE)												
[0.00,0.15)	250	155,486	20.92%	32,771	0.11%	33,490,668	50.22%	-	1,082	3.30%	18	
[0.15,0.25)	285	43,222	23.20%	10,310	0.20%	14,095,319	50.18%	-	560	5.43%	10	
[0.25,0.50)	58,518	312,860	58.14%	240,419	0.36%	13,675,859	55.37%	-	22,919	9.53%	478	
[0.50,0.75)	37,332	220,770	47.68%	142,592	0.56%	14,532,053	56.04%	-	19,677	13.80%	448	
[0.75,2.50)	89,265	128,713	59.25%	165,524	1.33%	12,787,384	62.55%	-	49,042	29.63%	1,380	
[2.50,10.00)	21,368	7,839	62.93%	26,301	4.44%	1,989,007	68.56%	-	20,125	76.52%	802	

PD scale (%)	a	b	c	d	e	f	g	h	i	j	k	l
	31 December 2024											
	Original on-balance sheet gross exposure	**Off-balance sheet exposures (pre-CCF)**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD (EAD Weighted)**	**Number of obligors[1]**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Provisions**
[10.00,100.00)	36,141	37,502	73.69%	63,777	16.31%	2,751,403	62.69%	-	87,553	137.28%	6,558	
100(default)	5,805	-	-	5,805	100.00%	313,606	77.60%	-	5,205	89.67%	4,504	
Sub-total	248,964	906,392	48.38%	687,499	3.10%	93,635,299	58.28%	-	206,163	29.99%	14,198	20,270
Risk exposure category Retail—Other retail exposures												
[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
[0.15,0.25)	-	-	-	-	-	-	-	-	-	-	-	
[0.25,0.50)	80,834	83,548	10.04%	89,225	0.34%	1,694,262	48.52%	-	24,354	27.29%	149	
[0.50,0.75)	59,331	115	14.65%	59,348	0.53%	242,565	34.37%	-	15,207	25.62%	107	
[0.75,2.50)	713,210	199,268	10.72%	734,577	1.35%	4,591,718	50.25%	-	412,780	56.19%	5,036	
[2.50,10.00)	188,702	30,390	13.22%	192,720	4.16%	261,611	52.17%	-	146,727	76.13%	4,192	
[10.00,100.00)	10,793	94	12.37%	10,805	36.15%	49,550	49.92%	-	10,747	99.47%	1,976	
100(default)	12,922	209	13.87%	12,951	100.00%	79,590	55.48%	-	29,227	225.67%	7,184	
Sub-total	1,065,792	313,624	10.79%	1,099,626	3.22%	6,919,296	49.65%	-	639,042	58.11%	18,644	29,311
Total (all exposures)	**6,287,527**	**1,242,163**	**38.27%**	**6,762,932**	**2.36%**	**111,995,676**	**32.89%**	**-**	**2,010,214**	**29.72%**	**64,966**	**168,665**

Note: 1. Column f, retail risk exposure is disclosed on the basis of the number of debts.

7. Counterparty credit risk

7.1 CCRA: Qualitative disclosure related to counterparty credit risk

The Bank adopts the standardised approach to measure exposure at default (EAD) of counterparty credit risk; measures the counterparty credit risk-weighted assets covered by the non-retail foundation internal ratings-based approach based on self-estimated PD and regulatory given LGD, among other parameters. The standardised approach is used to measure counterparty credit risk-weighted assets for portions not covered by the IRB approach. The Bank includes counterparty credit risk and central counterparty risk in the allocation of economic capital limits.

The Bank mainly accepts such collaterals as financial collaterals, accounts receivables, commercial and residential properties, other acceptable collaterals, and updates the management requirements of collateral catalogues every year. The Bank tightens collateral risk control through such measures as tougher collateral access, prudent assessment on the value of collateral, improved competence of collateral management personnel and implementation of the accountability for collateral reassessment. The types of guarantors of the Bank are primarily corporates, other organizations or natural persons that have full civil capacity and the ability to pay off debts. The Bank upgraded its guarantor through enhancing guarantor access management and special management policies for financing guarantee companies, etc.. The Bank conducts all derivative transactions under the framework of the International Swaps and Derivatives Association (ISDA) agreement and the National Association of Financial Market Institutional Investors (NAFMII) agreement for financial derivatives trading; securities financing transactions are conducted under the framework of the Global Master Repurchase Agreement (GMRA) and the China Interbank Market Bond Repurchase Trading Agreement. The Bank strictly implements counterparty admission management and risk assessment. For collateral management under derivative and repurchase transactions, the Bank adjusts collateral delivery thresholds, delivery frequency, and improves collateral quality based on the counterparty's credit rating through agreement terms and other methods to manage associated credit risks.

Wrong-way Risk refers to a situation where the probability of default of the same counterparty is positively correlated with the risk exposure. It includes general wrong-way risk and specific wrong-way risk. General wrong-way risk occurs when the probability of default of a counterparty is positively correlated with general market risk factors (such as interest rates, exchange rates and commodities, etc.). Specific wrong-way risk occurs when the risk exposure of a specific counterparty is positively correlated with its probability of default.

The Bank currently sets reasonable counterparty admission standards and continuously monitors changes in the mark-to-market value of trades, effectively controlling the risk associated with counterparty defaults.

When the Bank's credit rating is downgraded, whether additional collateral needs to be provided to the counterparty is determined based on the terms of the signed agreement.

7.2 CCR1: Analysis of counterparty credit risk exposure by approach

In millions of RMB

		a	b	c	d	e	f
		31 December 2024					
		Replace-ment cost (RC)	**Potential future exposure (PFE)**	**Add-on factor of potential future exposure (Add-on)**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	Standardised approach for counterparty credit risk (for derivatives)	18,358	56,492		1.4	104,790	31,440
2	Current Exposure Method (for derivatives)	-		-	1	-	-
3	Securities Financing Tradings					27,540	308
4	**Total**					**132,330**	**31,748**

8. Securitisation

8.1 SECA: Qualitative disclosure requirements related to securitisation exposures

Overview of Securitisation Business

Securitisation refers to the process that the originator packages its assets that are expected to generate cash flows in the future, and transfers the assets to a special purpose vehicle (SPV). The SPV then issues securities with different payment priorities and credit ratings, supported by the future cash flows of the underlying assets.

The Bank mainly participates in securitisation business as the originator, loan servicer and investor. As the originator, the Bank participates in the selection of underlying assets, the design of transaction structures and road-show activities. As the loan servicer, the Bank provides services including post-lending management, the collection of principals and interests, fund transfer and information disclosure for the underlying assets.

Main Objectives of Securitisation Business

As the originator and loan servicer for securitisation, the Bank proactively adjusts the asset and liability structure, enriches risk management tools, promotes business transformation and mobilises non-performing assets. On the legal entity basis, the main risk undertaken by the Bank as the originator is the potential loss of its retained positions. Apart from the risk above, all other risks have been fully transferred to other entities through securitisation. In 2024, the Bank originated 11 securitisation businesses for credit assets, and all underlying assets in these businesses have been derecognized (removed from the balance sheet) on the legal entity basis. As of the end of 2024, securitisations originated by the Bank and still in their duration, had no early amortization.

As an investor in the assets-backed securities(ABS) market, the Bank obtains investment returns through purchasing and holding assets-backed securities, and bears relevant credit risk, market risk and liquidity risk. The investment amount is determined with reference to the annual investment strategy and risk and returns.

Accounting Policies

In the normal course of business, the Bank enters into securitisation transactions by selling credit assets to special purpose trust which issue asset-backed securities to investors.

The Bank may retain partial risk and return in its transferred credit assets as it may hold subordinated tranches of the asset-backed securities in its asset securitisation business. The Bank will, according to the retention degree of risk and return, analyse and judge whether to terminate recognition of relevant credit assets. Those financial assets concerning the continuing involvement are recognised on the consolidated statement of financial position to the extent of the Bank's continuing involvement. The extent of the Bank's continuing involvement is the extent to which the Bank is exposed to changes in the value of the transferred financial assets or the return from them.

External Rating Agencies Used for Securitisation Business

As the originator for securitisation, the external rating agencies used by the Bank include China Bond Rating Co., Ltd., China Lianhe Credit Rating Co., Ltd., CSCI Pengyuan Credit Rating Co., Ltd., and China Chengxin International Credit Rating Co., Ltd.

As an investor, the external rating agencies used by the Bank include China Bond Rating Co., Ltd., Standard & Poor's, Fitch Ratings, and Moody's Corporation.

8.2 SEC1: Securitisation exposures in the banking book

In millions of RMB

		a	b	c	d	e	f	g	h	i	j	k	l
		31 December 2024											
		Bank acts as originator				**Bank acts as sponsor**				**Banks acts as investor**			
		Traditional	**Of which, meet STC standard**	**Synthetic**	**Sub-total**	**Traditional**	**Of which, meet STC standard**	**Synthetic**	**Sub-total**	**Traditional**	**Of which, meet STC standard**	**Synthetic**	**Sub-total**
1	**Retail (total)**	**10,504**	**-**	**-**	**10,504**	**-**	**-**	**-**	**-**	**32,101**	**-**	**-**	**32,101**
2	Of which: residential mortgage	10,462	-	-	10,462	-	-	-	-	32,101	-	-	32,101
3	Of which: credit card	42	-	-	42	-	-	-	-	-	-	-	-
4	Of which: other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which: re-securitisation	-		-	-	-		-	-	-		-	-
6	**Wholesale (total)**	**11**	**-**	**-**	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
7	Of which: loans to corporates	11	-	-	11	-	-	-	-	-	-	-	-
8	Of which: commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
		31 December 2024											
		Bank acts as originator				Bank acts as sponsor				Banks acts as investor			
		Traditional	Of which, meet STC standard	Synthetic	Sub-total	Traditional	Of which, meet STC standard	Synthetic	Sub-total	Traditional	Of which, meet STC standard	Synthetic	Sub-total
9	Of which: lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which: other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which: re-securitisation	-		-	-	-		-	-	-		-	-

8.3 SEC2: Securitisation exposures in the trading book

No trading-book assets of the Group are securitised.

9. Market risk

9.1 MRA: General qualitative disclosure requirements related to market risk

Market Risk Management Strategies and Processes

Market risk refers to the risk of loss in the on- and off-balance sheet businesses of banks as a result of an adverse change in market prices (interest rates, exchange rates, stock prices, and commodity prices,etc.). The major types of market risk that the Bank is exposed to are general interest rate risk, foreign exchange rate risk, and commodity price risk. The Bank's objectives of market risk management are to adhere to the risk appetite, identify, measure, assess, monitor, report, control or mitigate market risk of all trading and non-trading business activities, ensure that the level of market risk is controlled within a reasonable range.

The Bank formulates annual risk management strategies for financial market business based on external market changes and business operating conditions. These strategies define the entry criteria and specific management requirements for businesses such as bond trading and derivative trading. The Bank establishes market risk limits, and measures and monitors the limits through the market risk management system.

We classified all of the on-and off-balance sheet assets and liabilities into either the trading book or the banking book. The trading book includes the financial instruments, foreign exchange and commodities positions held by the Bank for trading or hedging against the risk of other items in the trading book. Any other positions are classified into the banking book. In 2024, there were no discrepancies between the book classifications and general assumptions, reclassifications of books, or internal risk transfer activities.

Market Risk Management Functional Framework

The Bank's market risk management functional framework consists of the Board of Directors and its subordinate Risk Management and Consumers' Interests Protection Committee, the Board of Supervisors, the Senior Management and its subordinate Risk Management and Internal Control Committee, the Risk Management Department, the Asset and Liability Management Department, and the market risk-bearing departments (institutions).

The Asset and Liability Management Department, Financial Market Department and Capital Operation Center are the "first line of defense" in the Bank's market risk management. The Risk

Management Department serves as the "second line of defense" and the leading management department. The Audit Office is the "third line of defense" in the Bank's market risk management.

Risk Reporting and Measurement System

The Bank continually improves its market risk reporting system, promptly submitting market risk reports to the Board of Directors and the Senior Management. The market risk-bearing departments and institutions are responsible for the daily monitoring of the market risks they bear and reporting the market risk profiles of their respective departments or institutions to their business management departments, the risk management departments, and higher-level institutions. The Bank provides independent market risk analysis reports to the Senior Management on a ten-day, monthly, and quarterly basis. A semi-annual report on market business risk management is written and included in the comprehensive risk management report, which is submitted for review by the Senior Management, the Board of Directors, and the Board of Supervisors as required. For major market risk events, special reports are promptly drafted and submitted to the Senior Management.

The Bank uses the standardised measurement approach to measure market RWA, with market risk capital measurement covering default risk, general interest rate risk, credit spread risk, equity risk in the trading book, as well as foreign exchange risk and commodity risk across the entire balance sheet.

9.2 MR1: Market risk under the standardised approach

In millions of RMB

		a
		31 December 2024
		Capital charge in SA
1	General interest rate risk	3,473
2	Equity risk	627
3	Commodity risk	2,142
4	Foreign exchange risk	2,768
5	Credit spread risk–non-securitisations	1,285
6	Credit spread risk–securitisations (non-correlation trading portfolio)	-
7	Credit spread risk–securitisation (correlation trading portfolio)	-
8	Default risk–non-securitisations	2,301
9	Default risk–securitisations (non-correlation trading portfolio)	-
10	Default risk–securitisations (correlation trading portfolio)	-
11	Residual risk add-on	1
12	**Total**	**12,597**

9.3 MR3: Market risk under the simplified standardised approach

The Group does not adopt the simplified standardised approach for the measurement of market risk capital.

10. Operational risk

10.1 ORA: General qualitative information on a bank's operational risk framework

Basic Policies and Management Requirements

In accordance with the regulatory policies, including the *Rules on Operational Risk Management of Banking and Insurance Institutions* issued by the National Financial Regulatory Administration, and within the framework of comprehensive risk management, the Bank has established an operational risk management system. Currently, the Bank's main systems related to operational risk management include the *Basic Policies for Operational Risk Management* and supporting policies for operational risk assessment, monitoring, reporting, classification and grading, loss data management and regulatory capital measurement. These policies form the basic framework for the Bank's operational risk management, clarifying the goals, principles, division of responsibilities, management processes, management methods and management safeguards for operational risk management.

Organizational Structure of Operational Risk Management and Internal Control

The Bank's Board of Directors assumes ultimate responsibility for operational risk management, while the Senior Management is responsible for implementing operational risk management. The performance of the Board of Directors and the Senior Management is subject to supervision by the Board of Supervisors. Special committees and the Chief Risk Officer are established under the Board of Directors and the Senior Management to strengthen professional leadership in operational risk management. Branches, departments directly engaged in business operations, and subsidiaries assume the primary responsibility for operational risk management, with the main responsible persons being the first-in-line responsible parties.

The Bank has established a "three-line defense" structure for operational risk management. The "first line of defense" includes business and management departments at all levels, who are the direct bearers and managers of operational risk, responsible for managing operational risks in their respective areas. The "second line of defense" includes departments responsible for leading operational risk management and measurement at all levels, providing guidance and supervision over the first line of defense's operational risk management. The "third line of defense" is the internal audit department, which supervises and evaluates the performance and effectiveness of the first and second lines of defense.

Risk Measurement System

The Bank's operational risk measurement system includes the operational risk standardised approach measurement system and the loss data management system. In 2024, the Bank completed the optimization and upgrading of the standardised approach to operational risk measurement system and loss data management system, achieving full-process management of loss data identification, collection, and processing. The system can automatically extract financial data, map business indicators, and measure final standardised approach results, thus systematizing and automating measurement of standardised approach to operational risk.

Operational Risk Reporting

The Bank analyses the operational risk management situation semiannually and includes it in the comprehensive risk management report, which is submitted for review by the Senior Management, the Board of Directors, and the Board of Supervisors as required. The report includes the operational risk profile, progress in operational risk management, and next step work arrangement. For major operational risk events, the Bank promptly reports them to the Board of Directors, the Senior Management, and the Board of Supervisors.

Risk Mitigation and Risk Transfer Measures

The Bank adheres to a prudent operational risk appetite and implements control and mitigation measures for the risks associated with business, products, processes, and related management activities. Internal control is used as an effective means of operational risk management, with basic internal control regulations established to create a sound internal control system. Continuous improvements are made to manage important operational risks, including case risk, information technology risk, legal risk, and outsourcing risk. For risks requiring mitigation, such as disasters and incidents, measures such as insurance purchases, outsourcing, or other means are employed to mitigate the risks. The Bank strengthens the internalization of external regulations, system building, and professional training, while actively fostering a culture of operational risk management.

10.2 OR3: Minimum required operational risk capital

In millions of RMB, except for multipliers

		a
		31 December 2024
1	Business indicator component (BIC)	119,021
2	Internal loss multiplier (ILM)	1
3	Minimum required operational risk capital (ORC)	119,021
4	Operational risk RWA	1,487,764

11. Interest rate risk in the banking book

11.1 IRRBBA: Interest rate risk in the banking book (IRRBB) risk management objectives and policies

Interest rate risk in the banking book (IRRBB) refers to the risk that adverse changes in interest rate levels and maturity structures will cause the economic value of the banking book and overall income to suffer losses. This risk mainly includes gap risk, benchmark risk, and optionality risk.

IRRBB Management and Measurement

The Bank incorporates IRRBB into the comprehensive risk management framework, establishing an IRRBB management system that aligns with the systemical importance, risk profile, and business complexity. A comprehensive governance structure for IRRBB has been built. The Bank strengthens its efforts to identify, measure, monitor, control, and mitigate IRRBB, ensuring that it is acceptable to and tolerable for the Bank.

The Bank adheres to a moderate risk appetite for IRRBB, and formulates management strategies based on risk appetite, risk profile, macroeconomic and market changes, and other factors. The Bank implements interest rate risk limit management, establishing a limit system that corresponds to the Bank's size, business complexity, capital adequacy and risk management capacity. The Bank monitors and reports indicators such as the maximum economic value of equity and net interest income change ratio on a quarterly basis to assess the sensitivity of IRRBB. Regular model validation of IRRBB is conducted, and the risk is also subject to internal audits.

The Bank regularly conducts stress tests on IRRBB and applies the results of these tests to the formulation of management strategies and policies. The interest rate shocks and stress scenarios include six standardised interest rate shock scenarios from the standardised measurement framework, such as parallel up, parallel down and shape changes of the yield curve. In addition, stress scenarios based on internal management needs and historical scenarios, as well as interest rate shock scenarios established in the internal capital adequacy assessment and recovery and resolution plans, based on macroeconomic indicators with different levels of stress, are also used.

The Bank primarily controls or mitigates IRRBB through structural adjustments, exposure hedging, and other methods. Specific actions include adjusting the IRRBB repricing term structure and pricing methods, adjusting investment portfolio duration, and utilising interest rate derivatives. The Bank measures financial instruments in accordance with accounting standards and applies hedge accounting for transactions that meet the criteria for hedge accounting.

IRRBB1: Main Models and Assumptions Used

The important models and assumptions used in the Bank's internal measurement system are consistent with those disclosed in IRRBB1. These models and assumptions include: ΔEVE cash flow calculations incorporating commercial margin factors, with discounting using risk-free rate as required by the regulator; constructing volatility and stability rate models based on deposit characteristics and historical data to measure cash flow distributions for non-maturity deposits; calculating early repayment rates for fixed-rate loans and early withdrawal rates for time deposits based on historical data, and incorporating these into the IRRBB measurement; separately measuring IRRBB for currencies with a balance ratio of more than 5% of bank book assets or liabilities, and summing these as required by the regulator.

In accordance with regulatory requirements, the Bank uses historical data of 10 years to determine the longest repricing maturity for non-maturity deposits. The average repricing maturity for retail deposits in trading accounts should not exceed 4.5 years, and for retail deposits in non-trading accounts, the average repricing maturity should not exceed 3.15 years. The average repricing maturity for wholesale deposits should not exceed 2 years.

11.2 IRRBB1: Quantitative information on IRRBB

As at December 31, 2024, the economic value of equity (EVE) changes and net interest income(NII) changes for the Bank's IRRBB are shown in the table below.[1]

In millions of RMB

In reporting currency Period	ΔEVE[2]	ΔNII[3]
	31 December 2024	**31 December 2024**
Parallel up	428,061	85,909
Parallel down	(568,770)	(381,136)
Steepener	387,254	
Flattener	(314,968)	
Short rate up	(80,155)	
Short rate down	87,856	
Maximum	**428,061**	**(381,136)**
Period	**31 December 2024**	
Tier 1 capital		**2,991,056**

Notes: 1. The data in this table is based on the regulatory scope for legal entity.

2.For EVE changes, the scenarios in this table are consistent with the six standardised interest rate shock scenarios in the *Guidelines for Commercial Banks on Management of Interest Rate Risk in the Banking Book (Revised)*, where positive values represent losses. Commercial margin factors are included in the cash flow calculation, and the risk-free rate used for cash flow discounting is the treasury bond spot yield.

3. For NII changes, the parallel up scenario represents a 250 basis point parallel up shift in interest rates, and the parallel down scenario represents a 250 basis point parallel down shift in other rates, with deposit rates unchanged, where negative values represent losses. NII changes represent the difference in future interest income over a consecutive 12-month period.

4. Since the end of the previous reporting period, the Bank has not experienced any significant changes.

12. Macroprudential regulatory measures

12.1 GSIB1: Global systemically important banks assessment indicators

Since its first inclusion in the list of global systemically important banks in 2014, the Group has annually disclosed the global systemically important banks assessment indicators in its annual reports for listed companies. For the results of the assessment indicators of previous periods, please refer to: http://www.abchina.com.cn/en/investor-relations/performance-reports/.

The Group's global systemically important bank assessment indicators for the year 2024 are shown in the table below.

In millions of RMB

No.	Indicator category	Item	31 December 2024
			Amount
1	International Activity	Cross-jurisdictional claims	900,821
2		Cross-jurisdictional liabilities	977,281
3	Size	Adjusted on- and off-balance sheet assets	45,512,586
4	Interconnectedness	Intra-financial system assets	2,998,856
5		Intra-financial system liabilities	5,245,713
6		Securities outstanding	4,996,163
7	Substitutability	Assets under custody	17,549,675
8		Payments activity	705,057,147
9		Underwritten transactions in debt and equity markets	3,161,497
10a		Fixed income securities trading volume	10,157,317
10b		Equity and other securities trading volume	216,560
11	Complexity	Notional amount of over-the-counter (OTC) derivatives	5,299,633
12		Level 3 assets	128,321
13		Trading and available-for-sale securities	548,733

13. Leverage ratio

13.1 LR1: Difference between leverage ratio regulatory exposure measure and accounting assets

In millions of RMB

		a
		31 December 2024
1	Total consolidated assets as per published financial statements	43,238,135
2	Consolidated adjustments for accounting purposes but outside the scope of regulatory consolidation	(197,932)
3	Adjustment for fiduciary assets	-
4	Adjustment for derivative financial instruments	44,977
5	Adjustment for securities financing transactions	974
6	Adjustment for off-balance sheet items	2,216,215
7	Adjustment for securitisation transactions	-
8	Adjustment for unsettled financial assets	(191)
9	Adjustment for cash pooling	-
10	Adjustment for central bank reserve (if applicable)	-
11	Adjustment for prudent valuation and impairment provisions	-
12	Other adjustments	(10,818)
13	**Adjusted on- and off-balance sheet assets**	**45,291,360**

13.2 LR2: Leverage ratio

In millions of RMB, except for percentages

		a	b
		31 December 2024	30 September 2024
On-balance sheet exposures			
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	42,565,720	42,903,980
2	Less: impairment provisions	(962,911)	(980,343)
3	Less: deductions from Tier 1 capital	(10,818)	(10,254)
	Adjustment for unsettled financial assets	(191)	(745)
4	**Balance of adjusted on-balance sheet assets (excluding derivatives and securities financing transactions)**	**41,591,800**	**41,912,638**
Derivative exposures			
5	Replacement cost associated with all derivatives (net of eligible margin and in consideration of the impact of bilateral netting agreement)	27,121	19,825
6	Add-on amounts for PFE associated with all derivatives transactions	83,776	75,165
7	Gross-up of collateral deducted from the balance sheet	-	-
8	Less: receivable assets resulting for cash variation margin	-	-
9	Less: derivative assets resulting from transactions with the central counterparty when providing client-cleared trade	-	-
10	Notional principal amount of written credit derivatives	-	-
11	Less: deductible amounts of written credit derivative assets	-	-
12	**Balance of derivative assets**	**110,897**	**94,990**
Securities financing transaction exposures			
13	Securities financing transaction assets for accounting purpose	1,371,474	1,409,248
14	Less: deductible amounts of securities financing transaction assets	-	-
15	Counterparty credit risk exposure for securities financing transaction	974	4,365
16	Securities financing transaction assets resulting from agent transaction	-	-
17	**Balance of securities financing transaction assets**	**1,372,448**	**1,413,613**
Other off-balance sheet exposures			
18	Off-balance sheet items	7,345,458	6,645,087
19	Less: adjusted for conversion to credit equivalent amounts	(5,105,977)	(4,754,679)
20	Less: impairment provisions	(23,266)	(20,546)
21	**Balance of adjusted off-balance sheet items**	**2,216,215**	**1,869,862**
Capital and total exposure			
22	Tier 1 capital, net	3,081,864	2,996,528
23	Adjusted on-and off-balance sheet assets	45,291,360	45,291,103

		a	b
		31 December 2024	**30 September 2024**
Leverage ratio			
24	Leverage ratio	6.80%	6.62%
24a	Leverage ratio a[1]	6.80%	6.62%
25	Minimum regulatory requirements for leverage ratio	4.00%	4.00%
26	Additional requirements for leverage ratio[6]	0.50%	0.50%
Disclosure of mean values			
27	Quarterly average daily balance of securities financing transaction	1,308,954	1,363,228
27a	Quarter-end value of gross SFT assets	1,371,474	1,409,248
28	Adjusted on- and off-balance sheet assets a[4]	45,228,840	45,245,083
28a	Adjusted on- and off-balance sheet assets b[5]	45,228,840	45,245,083
29	Leverage ratio b[2]	6.81%	6.62%
29a	Leverage ratio c[3]	6.81%	6.62%

Notes: 1.Line 24a, leverage ratio a refers to the leverage ratio excluding the impact of any applicable temporary exemption of central bank reserves, being row 22/ (row 23+temporarily exempted central bank reserves).

2.Line 29, leverage ratio b refers to the leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets within the most recent quarter, being row 22/row 28.

3.Line 29a, leverage ratio c refers to the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets within the most recent quarter, being row 22/row 28a.

4.Line 28, adjusted on- and off-balance sheet assets a is calculated by applying the temporary exemption of central bank reserves and the simple arithmetic average of the daily balances of securities financing transactions.

5.Line 28a, adjusted on- and off-balance sheet assets b is calculated without application of any temporary exemption of central bank reserves and using the simple arithmetic average of the daily balances of securities financing transactions.

6.Line 26, the Group was listed among the Bucket 2 of the global systemically important banks in November 2023, and is required to meet the additional leverage ratio of 0.75% by 1 January 2025 according to the regulatory requirements, and during the reporting period implements the additional leverage ratio of 0.5% for Bucket 1 banks.

14. Liquidity risk

14.1 LIQA: Liquidity risk management

Liquidity Risk Management Governance Structure

The liquidity risk management governance structure of the Bank consists of a decision-making system, an execution system and a supervision system, among which, the decision-making system comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee and the Senior Management; the execution system comprises liquidity management department, asset and liability business department, and information and technology department, etc.; and the supervision system comprises the Board of Supervisors, the Audit Office, the Internal Control and Compliance Supervision Department and the Legal Affairs Department. The aforesaid systems perform their respective decision-making, execution and supervision functions based on the division of responsibility.

Liquidity Risk Management Strategy and Policy

We adhere to a moderate liquidity management strategy. We formulate our liquidity risk management policy pursuant to the regulatory requirements, external macroeconomic environment and our business development. We effectively maintain balance among liquidity, security and profitability, on condition of the guaranteed security of liquidity.

Liquidity Risk Management Methods

We pay close attention to changes in internal and external economic situation, continue to monitor our bank-wide liquidity condition, and strengthen the asset-liability matching management to mitigate risks related to mismatch of maturity. We improve the liquidity management mechanism by strengthening the monitoring, early warning, and overall allocation of liquidity position, and by enhancing the diversification and stability of sources of funding, to maintain a moderate reserve level and satisfy various payment demands. In addition, we continue to refine the functions of the liquidity management system and improve the level of our electronic management.

Liquidity Risk Management Objectives

The objectives of our liquidity risk management are to effectively identify, measure, monitor and report liquidity risk by establishing a scientific and refined liquidity risk management system, to promptly fulfill the liquidity demands of assets, liabilities and off-balance sheet businesses, perform the external payment obligations, achieve an effective balance between capital efficiency and security of liquidity, and prevent the overall liquidity risk of the Group under normal business environment or under operational pressure.

Key Liquidity Risk Indicators

During the reporting period, the Bank's overall liquidity remained adequate, safe, and controllable. As at the end of 2024, the Bank's RMB liquidity ratio was 85.34% and its foreign currency liquidity ratio was 181.05%, both of which met the regulatory requirements. In the fourth quarter of 2024, the average liquidity coverage ratio was 131.03%, representing an increase of 4.38 percentage points compared to the previous quarter. As at the end of 2024, the Bank's net stable funding ratio stood at 130.27%, with the numerator representing available stable funding of RMB 29,802,242 million and the denominator representing required stable funding of RMB 22,877,044 million.

Stress Testing

Based on the market condition and operation practice, we set liquidity risk stress testing scenarios fully considering various risk factors which may affect the liquidity. Stress testing was conducted on a quarterly basis. According to the testing results, under the prescribed stress scenarios, we could pass all the shortest survival period tests as required by regulatory authorities.

Main Factors Affecting Liquidity Risk

The major factors affecting liquidity risk include negative impacts of market liquidity, withdrawal of deposits by customers, drawing of loans by customers, imbalance between asset and liability structures, debtor's default, difficulty in asset realization, weakening financing ability, etc.

Liquidity Gap Analysis

The Bank's net position of liquidity is presented in the following table.

In millions of RMB

Term	31 December 2024	31 December 2023
Past due	63,632	34,600
On demand	(15,102,538)	(15,959,023)

Term	31 December 2024	31 December 2023
Within 1 month	937,829	1,586,071
1 to 3 months	(2,247,351)	(925,666)
3 to 12 months	(1,385,454)	(20,560)
1 to 5 years	1,105,585	332,098
Over 5 years	17,469,784	15,096,354
No fixed maturity	2,143,829	2,639,830
Total	**2,985,316**	**2,783,704**

14.2 LIQ1: Liquidity coverage ratio

The *Rules on Liquidity Risk Management of Commercial Banks* requires that the liquidity coverage ratio of commercial banks should be no less than 100%. In addition, in accordance with the *Rules on Information Disclosure for Liquidity Coverage Ratio of Commercial Banks*, commercial banks are required to disclose liquidity coverage ratio information at the same frequency as that for financial reports, and starting from 2017, to disclose the simple arithmetic average of the liquidity coverage ratios based on daily data of every quarter and the number of daily data adopted in calculation of such average.

The Group calculates the liquidity coverage ratio in accordance with the *Rules on Liquidity Risk Management of Commercial Banks* and applicable statistical requirements. The daily average of liquidity coverage ratios of the Group for the 4th quarter of 2024 was 131.03%, and the number of daily data adopted in calculation of such average was 92. The high-quality liquid assets of the Group mainly include cash, excess reserves with the central bank able to be withdrawn under stress conditions, and bonds falling within the Level 1 and Level 2 assets as defined in the *Rules on Liquidity Risk Management of Commercial Banks*.

The averages of the liquidity coverage ratio and individual line items over the 4th quarter of 2024 are as follows:

In millions of RMB, except for percentages

		a	b
		The 4th quarter of 2024	
		Total unweighted value	**Total weighted value**
High-quality liquid assets			
1	Total high-quality liquid assets		9,861,024
Cash outflows			
2	Retail deposits and deposits from small business customers	19,327,939	1,841,103
3	Of which: stable deposits	1,833,739	91,683
4	Of which: less stable deposits	17,494,200	1,749,420
5	Unsecured wholesale funding	14,307,452	6,570,074
6	Of which: operational deposits (excluding deposits in networks of cooperative banks)	5,097,401	1,769,380
7	Of which: non-operational deposits (all counterparties)	9,143,615	4,734,258
8	Of which: unsecured debt	66,436	66,436

		a	b
		The 4th quarter of 2024	
		Total unweighted value	Total weighted value
9	Secured wholesale funding		19,353
10	Additional requirements	3,228,513	1,584,977
11	Of which: outflows related to derivative exposures and other collateral requirements	1,439,593	1,439,593
12	Of which: outflows related to loss of funding on debt products	110	110
13	Of which: credit and liquidity facilities	1,788,810	145,274
14	Other contractual funding obligations	199,329	199,329
15	Other contingent funding obligations	4,211,740	16,841
16	Total cash outflows		10,231,677
Cash inflows			
17	Secured lending (including reverse repos and securities borrowing)	1,267,238	1,267,030
18	Inflows from fully performing exposures	1,944,584	1,052,754
19	Other cash inflows	1,614,375	1,614,375
20	Total cash inflows	4,826,197	3,934,159
			Total Adjusted Value
21	Total high-quality liquid assets (HQLA)		8,251,837
22	Total net cash outflows		6,297,518
23	Liquidity Coverage Ratio (%)		131.03%

14.3 LIQ2: Net stable funding ratio

According to the *Rules on Capital Management of Commercial Banks*, the net stable funding ratios of the latest two quarters need to be included in the Report.

The net stable funding ratio for the 4th quarter of 2024 and its particulars are shown in the table below.

In millions of RMB, except for percentages

		a	b	c	d	e
		31 December 2024				
		Value before conversion				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
Available stable funds (ASF) item						
1	Capital	3,092,035	-	-	519,962	3,611,997
2	Regulatory capital	3,092,035	-	-	519,962	3,611,997
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	8,063,677	11,803,610	108	56	17,982,281
5	Stable deposits	2,031,396	-	-	-	1,929,826
6	Less stable deposits	6,032,281	11,803,610	108	56	16,052,455
7	Wholesale funding	6,647,091	9,957,803	1,240,495	1,167,253	7,834,811
8	Operational deposits	4,189,580	-	-	-	2,094,790
9	Other wholesale funding	2,457,511	9,957,803	1,240,495	1,167,253	5,740,021
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	264	862,905	230,222	307,730	373,153
12	NSFR derivative liabilities				49,688	
13	All other liabilities and equity not included above categories	264	862,905	230,222	258,042	373,153
14	Total ASF					29,802,242
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,360,136
16	Deposits held at other financial institutions for operational purposes	7,241	317,306	229,676	-	277,112
17	Performing loans and securities:	2,928	6,970,450	3,499,332	16,250,342	18,412,487
18	Performing loans to financial institutions secured by Level 1 HQLA	-	7,452	-	94,060	95,178

		a	b	c	d	e
		31 December 2024				
		Value before conversion				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,767	1,825,383	297,354	88,984	511,733
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	4	4,877,555	3,003,376	10,136,035	12,533,530
21	Of which: with a risk weight of less than or equal to 35%	4	61,033	44,152	168,443	155,880
22	Performing residential mortgages, of which:	-	119,723	120,096	5,508,278	4,801,936
23	Of which: with a risk weight of less than or equal to 35%	-	3	3	53	38
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,157	140,337	78,506	422,985	470,110
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	other assets	111,184	2,196,988	117,103	324,886	2,711,501
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,564	1,329
29	NSFR derivative assets				65,293	15,604
30	NSFR derivative liabilities before deduction of variation margin posted				12,077	12,077
31	All other assets not included in the above categories	111,184	2,196,988	117,103	258,029	2,682,491
32	Off-balance sheet items				6,497,276	115,808
33	Total RSF					22,877,044
34	Net stable fund ratio (%)					130.27%

The net stable funding ratio for the 3rd quarter of 2024 and its particulars are shown in the table below.

In millions of RMB, except for percentages

	a	b	c	d	e
	30 September 2024				
	Value before conversion				Weighted value
	No maturity	<6 months	6-12 months	≥ 1 year	
Available stable funds (ASF) item					

		a	b	c	d	e
		30 September 2024				
		Value before conversion				**Weighted value**
		No maturity	**<6 months**	**6-12 months**	**≥ 1 year**	
1	Capital	3,006,800	-	-	519,968	3,526,768
2	Regulatory capital	3,006,800	-	-	519,968	3,526,768
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	7,802,307	11,737,992	153	59	17,680,969
5	Stable deposits	1,890,079	-	-	-	1,795,575
6	Less stable deposits	5,912,228	11,737,992	153	59	15,885,394
7	Wholesale funding	7,495,510	9,455,740	1,317,171	1,125,295	8,275,418
8	Operational deposits	5,203,771	-	-	-	2,601,886
9	Other wholesale funding	2,291,739	9,455,740	1,317,171	1,125,295	5,673,532
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	256	1,247,708	229,151	285,366	366,805
12	NSFR derivative liabilities		33,136			
13	All other liabilities and equity not included above categories	256	1,247,708	229,151	252,230	366,805
14	Total ASF					29,849,960
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,178,030
16	Deposits held at other financial institutions for operational purposes	3,375	390,575	116,576	-	255,263
17	Performing loans and securities:	4,661	6,774,323	3,512,698	16,243,147	18,306,476
18	Performing loans to financial institutions secured by Level 1 HQLA	-	5,488	-	98,419	99,243
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	3,460	1,859,910	242,116	76,598	477,162
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	9	4,630,433	3,053,944	10,130,019	12,433,936
21	Of which: with a risk weight of less than or equal to 35%	9	70,196	38,697	147,289	143,422
22	Performing residential mortgages, of which:	-	159,111	117,181	5,540,495	4,847,556
23	Of which: with a risk weight of less than or equal to 35%	-	3	3	53	37
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,192	119,381	99,457	397,616	448,579

		a	b	c	d	e
		30 September 2024				
		Value before conversion				**Weighted value**
		No maturity	**<6 months**	**6-12 months**	**≥ 1 year**	
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	other assets	113,507	2,191,382	98,304	260,303	2,640,338
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,558	1,324
29	NSFR derivative assets				27,274	-
30	NSFR derivative liabilities before deduction of variation margin posted				8,335	8,335
31	All other assets not included in the above categories	113,507	2,191,382	98,304	231,471	2,630,679
32	Off-balance sheet items				5,649,962	98,951
33	Total RSF					22,479,058
34	Net stable fund ratio (%)					132.79%