中國銀行
BANK OF CHINA

2025
INTERIM REPORT

Bank of China Limited

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

Stock Code: 3988

Contents

Contents

Definitions

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

BOC/the Bank/the Group	Bank of China Limited or its predecessors and, except where the context otherwise requires, all of the subsidiaries of Bank of China Limited
A Share	Domestic investment share(s) in the ordinary share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange (Stock Code: 601988)
H Share	Overseas-listed foreign investment share(s) in the ordinary share capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars (Stock Code: 3988)
PRC	The People's Republic of China
State Council	State Council of the People's Republic of China
MOF	Ministry of Finance of the People's Republic of China
Huijin	Central Huijin Investment Ltd.
CITIC Financial AMC	China CITIC Financial Asset Management Co., Ltd.
PBOC	The People's Bank of China
NFRA	National Financial Regulatory Administration and its predecessors
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
BOCHK	Bank of China (Hong Kong) Limited, an authorised financial institution incorporated under the laws of Hong Kong SAR and a wholly-owned subsidiary of BOCHK (Holdings)
BOCHK (Holdings)	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong SAR, the ordinary shares of which are listed on the Hong Kong Stock Exchange
BOC Insurance	Bank of China Insurance Company Limited
BOC Fullerton Community Bank	BOC Fullerton Community Bank Co., Ltd.
BOCI	BOC International Holdings Limited

Definitions

BOC Aviation	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability and listed on the Hong Kong Stock Exchange
BOCIM	Bank of China Investment Management Co., Ltd.
BOCG Insurance	Bank of China Group Insurance Company Limited
BOCG Investment	Bank of China Group Investment Limited
BOC Financial Technology	BOC Financial Technology Co., Ltd.
BOC Financial Leasing	BOC Financial Leasing Co., Ltd.
BOC Wealth Management	BOC Wealth Management Co., Ltd.
BOC Life	BOC Group Life Assurance Co., Ltd.
BOC-Samsung Life	BOC-Samsung Life Ins. Co., Ltd.
BOC Consumer Finance	BOC Consumer Finance Co., Ltd.
BOC Asset Investment	BOC Financial Asset Investment Co., Ltd.
BOCI China	BOC International (China) Co., Ltd., a company incorporated in the Chinese mainland, the ordinary shares of which are listed on the Shanghai Stock Exchange
Company Law	The *Company Law of the People's Republic of China*
IFRS Accounting Standards	International Financial Reporting Standards issued by the International Accounting Standards Board
CAS	Chinese Accounting Standards for Business Enterprises published by the Ministry of Finance of the People's Republic of China
Hong Kong Listing Rules	The *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*
SFO	The *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong SAR)
Articles of Association	The performing *Articles of Association of Bank of China Limited*
Chinese Mainland	The Chinese mainland, for the purpose of this report, refers to the People's Republic of China excluding Hong Kong (China), Macao (China), and Taiwan (China)
Northeastern China	The area including, for the purpose of this report, the branches of Heilongjiang, Jilin, Liaoning and Dalian
Western China	The area including, for the purpose of this report, the branches of Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Ningxia, Qinghai, Tibet and Xinjiang

Northern China	The area including, for the purpose of this report, the branches of Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia and the Head Office
Eastern China	The area including, for the purpose of this report, the branches of Shanghai, Jiangsu, Suzhou, Zhejiang, Ningbo, Anhui, Fujian, Jiangxi, Shandong and Qingdao
Central and Southern China	The area including, for the purpose of this report, the branches of Henan, Hubei, Hunan, Guangdong, Shenzhen, Guangxi and Hainan
Independent Director	Independent director under the listing rules of the Shanghai Stock Exchange and the Articles of Association, and independent non-executive director under the Hong Kong Listing Rules
Basis Point (Bp, Bps)	Measurement unit of changes in interest rate or exchange rate. 1 basis point is equivalent to 0.01 percentage point
RMB	Renminbi, the lawful currency of the People's Republic of China

Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management members of the Bank warrant that the information in this report is authentic, accurate and complete, contains no false record, misleading statement or material omission, and jointly and severally accept full legal responsibility for the information in this report.

The 2025 Interim Report and Interim Results Announcement of the Bank have been reviewed and approved at the meeting of the Board of Directors of the Bank held on 29 August 2025. The number of directors who should attend the meeting is 14, with 14 directors attending the meeting in person. 14 directors of the Bank exercised their voting rights at the meeting. The supervisors and senior management members of the Bank attended the meeting as non-voting attendees.

The 2025 interim financial statements prepared by the Bank in accordance with CAS and IFRS Accounting Standards have been reviewed by Ernst & Young Hua Ming LLP and Ernst & Young in accordance with Chinese and international standards on review engagements, respectively.

Mr. GE Haijiao, Legal Representative and Chairman of the Board of Directors, Mr. ZHANG Hui, Vice Chairman of the Board of Directors, President, and Person in charge of finance and accounting of the Bank, and Mr. WEN Dong, Principal of the accounting department of the Bank, warrant the authenticity, accuracy and completeness of the financial statements in this report.

As considered and approved by the 2025 First Extraordinary General Meeting, the Bank distributed the 2024 final cash dividend of RMB1.216 per 10 shares (before tax) to ordinary shareholders whose names appeared on the register of members of the Bank as at market close on 24 April 2025, amounting to approximately RMB35.798 billion (before tax) in total. The Bank did not propose any capitalisation of capital reserve into share capital. Including the interim cash dividends of RMB1.208 per 10 shares (before tax) already paid for the first half of 2024, the annual cash dividend for 2024 was RMB2.424 per 10 shares (before tax).

The Board of Directors of the Bank has recommended an interim dividend on ordinary shares for 2025 of RMB1.094 per 10 shares (before tax), subject to the approval of the shareholders' meeting of the Bank.

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes and no material guarantee business that violated the applicable regulations and procedures.

This report may contain forward-looking statements that involve risks and future plans. These forward-looking statements are based on the Bank's own information and information from other sources that the Bank believes to be reliable. They relate to future events or the Bank's future financial, business or other performance and are subject to a number of factors and uncertainties that may cause the actual results to differ materially. Any future plans mentioned do not constitute a substantive commitment by the Bank to its investors. Investors and people concerned should be fully aware of the risks and understand the differences between plans, forecasts and commitments.

The Bank is faced with risks arising from changes in the macroeconomic environment and from political and economic conditions in different countries and regions as well as risks arising from its day-to-day operations, including the risk arising from changes in the credit status of borrowers, adverse changes in market prices and operational risk. It shall at the same time meet regulatory and compliance requirements. The Bank actively adopts adequate measures to effectively manage all types of risks. Please refer to the section "Management Discussion and Analysis – Risk Management" for details.

Corporate Information

Registered Name in Chinese

中國銀行股份有限公司("中國銀行")

Registered Name in English

BANK OF CHINA LIMITED ("Bank of China")

Legal Representative and Chairman

GE Haijiao

Vice Chairman and President

ZHANG Hui

Secretary to the Board of Directors and Company Secretary

ZHUO Chengwen
Office Address:
No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Telephone: (86) 10-6659 2638
E-mail: ir@bankofchina.com

Listing Affairs Representative

JIANG Zhuo
Office Address:
No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Telephone: (86) 10-6659 2638
E-mail: ir@bankofchina.com

Registered Address

No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China

Office Address

No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China
Postal Code: 100818
Telephone: (86) 10-6659 6688
Facsimile: (86) 10-6601 6871
Website: www.boc.cn, www.bankofchina.com
Customer Service and Complaint Hotline:
(86) Area Code-95566

Place of Business in Hong Kong SAR

Bank of China Tower,
1 Garden Road, Central, Hong Kong, China

Selected Newspapers for Information Disclosure (A Share)

China Securities Journal, Shanghai Securities News,
Securities Times, Economic Information Daily

Website of the SSE for Publication of the Interim Report

www.sse.com.cn

Website of the HKEX for Publication of the Interim Report

www.hkexnews.hk

Place Where Interim Report Can Be Obtained

Head Office of Bank of China Limited
Shanghai Stock Exchange

Securities Information

A Share

Shanghai Stock Exchange
Stock Name: 中國銀行
Stock Code: 601988

H Share

The Stock Exchange of Hong Kong Limited
Stock Name: Bank of China
Stock Code: 3988

Domestic Preference Share

Shanghai Stock Exchange
Third Tranche
Stock Name: 中行優 3
Stock Code: 360033

Fourth Tranche
Stock Name: 中行優 4
Stock Code: 360035

Corporate Information

Sponsors for Continuous Supervision and Guidance

CITIC Securities Company Limited

Place of Business:

North Tower, Excellence Times Plaza (II),

No. 8 Zhong Xin San Road,

Futian District, Shenzhen, Guangdong, China

Signing Sponsors:

PENG Yuan, WANG Chen

Period of Continuous Supervision and Guidance:

17 June 2025 to 31 December 2026

BOC International (China) Co., Ltd.

Place of Business:

39th Floor, Bank of China Building,

No. 200 Yincheng Middle Road,

Pudong New Area, Shanghai, China

Signing Sponsors:

DONG Wendan, HE Zhou

Period of Continuous Supervision and Guidance:

17 June 2025 to 31 December 2026

A-Share Registrar

Shanghai Branch of China Securities Depository and Clearing Corporation Limited

Office Address:

188 South Yanggao Road,

Pudong New Area, Shanghai, China

Telephone: (86) 21-4008 058 058

H-Share Registrar

Computershare Hong Kong Investor Services Limited

Office Address:

17M Floor, Hopewell Centre,

183 Queen’s Road East, Wan Chai, Hong Kong, China

Telephone: (852) 2862 8555

Facsimile: (852) 2865 0990

Domestic Preference Share Registrar

Shanghai Branch of China Securities Depository and Clearing Corporation Limited

Office Address:

188 South Yanggao Road,

Pudong New Area, Shanghai, China

Telephone: (86) 21-4008 058 058

Financial Highlights

Note: The financial information in this report has been prepared in accordance with IFRS Accounting Standards. The data are presented in RMB and reflect amounts related to the Group, unless otherwise noted.

Unit: RMB million

	Note	For the six-month period ended 30 June 2025	For the six-month period ended 30 June 2024	For the six-month period ended 30 June 2023
Results of operations	1			
Net interest income		**214,816**	226,760	233,992
Non-interest income	2	**114,602**	91,169	85,715
Operating income		**329,418**	317,929	319,707
Operating expenses		**(119,496)**	(108,290)	(104,300)
Impairment losses on assets	3	**(57,502)**	(60,579)	(60,581)
Operating profit		**152,420**	149,060	154,826
Profit before income tax		**153,018**	149,203	154,919
Profit for the period		**126,138**	126,536	127,688
Profit attributable to equity holders of the Bank		**117,591**	118,601	120,095
Net cash flows from operating activities		**33,639**	(66,446)	635,282
Basic earnings per share (RMB)		**0.36**	0.36	0.37
Key financial ratios				
Return on average total assets (%)	4	**0.70**	0.76	0.85
Return on average equity (%)	5	**9.11**	9.58	10.60
Net interest margin (%)	6	**1.26**	1.44	1.67
Non-interest income to operating income (%)	7	**34.79**	28.68	26.81
Cost to income ratio (%)	8	**25.11**	25.54	25.77
Credit cost (%)	9	**0.58**	0.71	0.68
		As at 30 June 2025	As at 31 December 2024	As at 31 December 2023
Statement of financial position				
Total assets		**36,790,613**	35,061,299	32,432,166
Loans and advances to customers, gross		**23,049,676**	21,594,068	19,961,779
Allowance for loan impairment losses	10	**(561,869)**	(539,177)	(485,298)
Financial investments	11	**9,225,800**	8,360,277	7,158,717
Total liabilities		**33,664,948**	32,108,335	29,675,351
Due to customers		**25,638,312**	24,202,588	22,907,050
Capital and reserves attributable to equity holders of the Bank		**2,987,590**	2,816,231	2,629,510
Share capital		**322,212**	294,388	294,388
Net assets per share (RMB)	12	**8.19**	8.18	7.58
Capital ratios	13			
Net common equity tier 1 capital		**2,572,202**	2,344,261	2,161,825
Net additional tier 1 capital		**358,721**	419,025	408,447
Net tier 2 capital		**891,314**	842,286	727,136
Common equity tier 1 capital adequacy ratio (%)		**12.57**	12.20	11.63
Tier 1 capital adequacy ratio (%)		**14.32**	14.38	13.83
Capital adequacy ratio (%)		**18.67**	18.76	17.74
Total risk-weighted assets		**20,470,598**	19,217,559	18,591,278
Asset quality				
Credit-impaired loans to total loans (%)	14	**1.24**	1.25	1.27
Non-performing loans to total loans (%)	15	**1.24**	1.25	1.27
Allowance for loan impairment losses to non-performing loans (%)	16	**197.39**	200.60	191.66
Allowance for loan impairment losses to total loans (%)	17	**2.44**	2.50	2.44

Notes:

1 The Group has adopted *International Financial Reporting Standard No.17 Insurance Contracts* ("IFRS 17") as issued by the International Accounting Standards Board ("IASB") with the initial application date of 1 January 2023.

2 Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on transfers of financial assets + other operating income.

3 Impairment losses on assets = credit impairment losses + impairment losses on other assets.

4 Return on average total assets = profit for the period ÷ average total assets × 100%, annualised. Average total assets = (total assets at the beginning of reporting period + total assets at the end of reporting period) ÷ 2.

5 Return on average equity = profit attributable to ordinary shareholders of the Bank ÷ weighted average capital and reserves attributable to ordinary shareholders of the Bank × 100%, annualised. Calculation is based on *No. 9 Preparation and Reporting Rules of Information Disclosure of Public Offering Companies — Calculation and Disclosure of Return on Average Equity and Earnings per Share (Revised in 2010)* (CSRC Announcement [2010] No. 2) issued by the CSRC.

6 Net interest margin = net interest income ÷ average balance of interest-earning assets × 100%, annualised. Average balance is average daily balance derived from the Group's management accounts (unreviewed).

7 Non-interest income to operating income = non-interest income ÷ operating income × 100%.

8 Cost to income ratio is calculated in accordance with the *Measures of the Performance Evaluation of Financial Enterprises* (Cai Jin [2016] No. 35) formulated by the MOF.

9 Credit cost = impairment losses on loans ÷ average balance of loans and advances to customers × 100%, annualised. Average balance of loans and advances to customers = (balance of loans and advances to customers at the beginning of reporting period + balance of loans and advances to customers at the end of reporting period) ÷ 2. Total loans and advances to customers are exclusive of accrued interest when being used to calculate credit cost.

10 Allowance for loan impairment losses = allowance for loans at amortised cost + allowance for loans at fair value through other comprehensive income.

11 The financial investments include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

12 Net assets per share = (capital and reserves attributable to equity holders of the Bank at the end of reporting period – other equity instruments) ÷ number of ordinary shares in issue at the end of reporting period.

13 Since the year 2024, the capital ratios are calculated in accordance with the *Capital Rules for Commercial Banks* and related regulations. The capital ratios for 2023 are calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* and related regulations.

14 Credit-impaired loans to total loans = credit-impaired loans at the end of reporting period ÷ total loans and advances to customers at the end of reporting period × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate credit-impaired loans to total loans.

15 Non-performing loans to total loans = non-performing loans at the end of reporting period ÷ total loans and advances to customers at the end of reporting period × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate non-performing loans to total loans.

16 Allowance for loan impairment losses to non-performing loans = allowance for loan impairment losses at the end of reporting period ÷ non-performing loans at the end of reporting period × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to non-performing loans.

17 Allowance for loan impairment losses to total loans = allowance for loan impairment losses at the end of reporting period ÷ total loans and advances to customers at the end of reporting period × 100%. Total loans and advances to customers are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to total loans.

Business Overview

Since the beginning of the year, the Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, diligently implemented the strategies and plans of the CPC Central Committee and the State Council, adhered to the general principle of advancing steadily while maintaining stability, and focused on its fundamental purpose of serving the real economy. It actively responded to new circumstances, addressed new challenges and seized new opportunities. As a result, the Bank steadily advanced various aspects of its operational and management work while achieving stable progress in operational performance.

In the first half of 2025, the Bank achieved stable business development, recorded steady and balanced growth in both assets and liabilities, delivered solid operating results, and maintained key financial indicators within a reasonable range. As at 30 June 2025, the Group's total assets stood at RMB36,790.613 billion, up 4.93% compared with the prior year-end. Total liabilities amounted to RMB33,664.948 billion, up 4.85% compared with the prior year-end. In the first half of 2025, the Group recorded an operating income of RMB329.418 billion and a profit for the period of RMB126.138 billion. Return on average total assets (ROA) was 0.70% and return on average equity (ROE) was 9.11%. Net interest margin was 1.26% and the cost to income ratio was 25.11%.

Continuously optimising the supply of financial services and supporting high-quality economic and social development

The Bank implemented macro policies robustly and effectively and steadily improved the quality of credit supply. As at 30 June 2025, the Bank's RMB loans in the Chinese mainland increased by RMB1.41 trillion or 7.72% compared with the prior year-end. It made significant contributions to promoting consumption, growing its market share in consumer loans. The Bank enhanced financial support for priority sectors, with loans to the manufacturing industry increasing by 12.99% compared with the prior year-end. It supported the development of the private economy, with loans to private enterprises increasing by 12.93% compared with the prior year-end. The Bank helped the real estate sector to rebound and stabilise, granting loans to meet residents' demands for first or improved homes. It contributed to the healthy and stable development of capital markets by financing the share repurchase activities of listed companies and maintained market leadership in credit services volume.

Advancing the "Five Major Tasks" of the financial sector and supporting the development of new quality productive forces based on local conditions

The Bank boosted the quality and efficiency of technology finance, providing RMB4.59 trillion of credit support to 161.1 thousand technology companies alongside comprehensive financial services amounting to over RMB780.0 billion in value. It maintained its leadership in green finance, increasing its green credit balance (based on PBOC statistical standards) by 16.95% from the prior year-end, and retaining the top market position among domestic peers in domestic and overseas green bond underwriting scale. The Bank's inclusive finance business expanded in both quantity and coverage, with loan balances surpassing RMB2.65 trillion and the number of loan customers exceeding 1.72 million. It also outpaced its peers in both the number and coverage of credit customers drawn from national and provincial-level specialised and sophisticated SMEs (small and medium-sized enterprises). The Bank's pension finance business steadily improved, securing the top market ranking in both the number of enterprise annuity individual accounts and the size of enterprise annuities under custody. The Bank accelerated empowerment through digital finance, deepened the application of new technologies such as artificial intelligence (AI), strengthened intensive transactions and improved service efficiency. The number of monthly active personal mobile banking users increased by 8.59% year-on-year, and the Bank's e-CNY spending volume remained among the highest in the market.

Leveraging its professional and characteristic advantages to actively serve high-level opening-up

The Bank continued to consolidate its globalised advantages, expand its global presence and strengthen its international competitiveness, achieving steady growth in operating income contributions from its overseas commercial banking business. It further increased financial supply to help stabilise foreign trade, with its domestic institutions completing USD2.1 trillion in international settlement volume, a year-on-year increase of 16.51%, maintaining the leading market share in international trade settlement. The total transaction volume of cross-border e-commerce increased by 42.10% year-on-year. The Bank further sharpened its competitive advantages in cross-border RMB business. It continually ranked first in the number of Cross-border Interbank Payment System (CIPS) direct and indirect participant relationships and in the number of RMB clearing banks authorised by the PBOC. The Group also maintained its global leadership in cross-border RMB clearing transactions. Actively serving the national "Going Global" and "Bringing In" initiatives, the Bank followed the eight major steps for high-quality Belt and Road cooperation and facilitated the advancement of major signature projects and "small yet smart" livelihood programmes. It maintained its top ranking among domestic peers in the underwriting volume of Panda bonds, Chinese offshore bonds, and offshore RMB bonds. The Bank also retained its leading market share among Chinese peers in cross-border custody assets. It enhanced the quality and efficiency of its integrated operations, with several subsidiaries recording improvements in core operating indicators.

Balancing development and security by effectively preventing and mitigating financial risks

The Bank further strengthened its comprehensive risk management system, improved its mechanisms and processes for preventing and controlling systematic risks, and took forward-looking measures to control various risks. It improved its domestic and overseas risk management capabilities, effectively navigated financial market fluctuations, proactively conducted special stress testing in key areas, and kept liquidity risk and market risk generally under control. The Bank tightened credit asset quality management, steadily advanced efforts to defuse risks, improved the quality and efficiency of debt recovery and disposal, and ensured that risk resolution was reasonable and adequate. As at 30 June 2025, the Group's non-performing loan (NPL) ratio was 1.24%, down 0.01 percentage points from the previous year-end, while the coverage ratio of allowance for loan impairment losses to NPLs was 197.39%. It used an injection of state capital as an opportunity to further enhance the quality and efficiency of its capital management. As at 30 June 2025, the Group's capital adequacy ratio stood at 18.67%. It continued to strengthen internal control and anti-money laundering management and steadily advanced the development of its compliance framework, achieving effective improvements in the Group's operational compliance capabilities.

Accelerating the pace of digital transformation and continuously enhancing the quality and efficiency of the Group's technological operations

The Bank strengthened its foundational technological capabilities and continuously advanced infrastructure construction, with the total number of cloud platform servers reaching 40,000. It deepened the innovative application of new technologies and released an AI application and promotion work plan, leveraging large model technology to empower over 100 business scenarios across the Bank. The Bank leveraged enterprise-level robotic process automation (RPA) to reduce the workload of primary-level institutions, which covered over 3,300 scenarios. It vigorously promoted the replication and widespread adoption of digital transformation achievements across branches, and focused on cultivating breakthrough innovations in digital transformation by leveraging pilot initiatives in selected areas to drive iterative optimisation across the entire Bank, thereby enhancing the quality and efficiency of its digital operations and management.

Management Discussion and Analysis

Financial Review

Economic and Financial Environment

In the first half of 2025, global economic growth momentum was generally weak, and the path to recovery remained uncertain. Trade protectionism puts pressure on global economic and financial stability, while the decline in global inflation slowed. The US economy rebounded. The European economy maintained steady growth with an upward trend. Japan's economic continued its recovery momentum. Performance among emerging economies became increasingly divergent.

The monetary policies of major economies were divergent. The US Federal Reserve held interest rates steady, while the European Central Bank initiated rate cuts and signalled further easing. Meanwhile, the Bank of Japan raised rates early in the year and subsequently maintained them at that level. The weakening of the US dollar triggered broad-based adjustments in global foreign exchange markets. Capital market volatility intensified, risk aversion grew among securities investors, and average commodity prices fluctuated.

China's economy maintained overall stability and made steady progress. Supported by the continued implementation of a package of new and existing policies, production and demand grew steadily, employment was generally stable, household income continued to rise, new growth drivers saw robust advancement and new strides were made in high-quality development. In the first half of the year, China's gross domestic product (GDP) increased by 5.3% year-on-year, total retail sales of consumer goods grew by 5.0% year-on-year, value-added of industrial enterprises above a designated size increased by 6.4% year-on-year, total fixed asset investment (TFAI) (excluding rural households) climbed by 2.8% year-on-year, the total value of goods imports and exports increased by 2.9% year-on-year, with a trade surplus of RMB4.21 trillion. The consumer price index (CPI) fell by 0.1% year-on-year.

China pursued a moderately accommodative monetary policy, strengthened countercyclical adjustments, maintained ample liquidity, promoted the reasonable growth and balanced supply of money and credit, reduced overall social financing costs, and increased financial support for major strategies, key areas and weak links, so as to create a suitable monetary and financial environment for promoting sustainable economic recovery and improvement. As at 30 June 2025, the outstanding broad money supply (M2) was RMB330.29 trillion, up 8.3% year-on-year. Outstanding RMB loans stood at RMB268.56 trillion, up 7.1% year-on-year. Aggregate financing to the real economy (AFRE) reached RMB430.22 trillion, up 8.9% year-on-year. The Shanghai Stock Exchange Composite Index stood at 3,444.43, up by 2.76% from the prior year-end. The central parity rate of the RMB against USD was 7.1586, appreciating by 0.42% compared with the prior year-end.

China's banking sector continued to follow a people-centred philosophy, earnestly implemented the "Five Major Tasks" of financial work, helped to cultivate new quality productive forces based on local conditions, actively served high-quality socioeconomic development and high-level opening-up, and helped bring the 14th Five-Year Plan to a smooth conclusion. It increased financial support for strategic emerging industries, specialised and sophisticated SMEs and high-level scientific and technological self-reliance, and promoted the development and expansion of science and technology finance. It paid due attention to the scale and quality of green financial development, worked collaboratively to reduce carbon, avoid pollution and expand green growth, and contributed to the nation's dual carbon goals. The sector increased credit supply to small, micro and private enterprises, and improved its ability to serve people's production and life. It accelerated the development of pension finance and boosted the growth momentum of the silver economy. Digital transformation was promoted in a coordinated manner and the digitalisation and intelligence of financial services was effectively improved. The banking sector effectively guarded against and defused risks in key areas, kept major risk regulatory indicators within an appropriate range, and maintained sufficient capacity to withstand risks. As at 30 June 2025, the total assets of China's banking sector were RMB467.3 trillion, while total liabilities were RMB429.3 trillion. In the first half of 2025, commercial banking institutions recorded a net profit for the period of RMB1.2 trillion. As at 30 June 2025, outstanding NPLs stood at RMB3.4 trillion, the NPL ratio was 1.49%, the coverage ratio of allowance for loan impairment losses to NPLs was 211.97%, and the capital adequacy ratio was 15.58%.

Profit or Loss Analysis

Adhering to the principle of seeking progress while maintaining stability, the Bank vigorously pursued cost reduction, quality improvement and efficiency enhancement, thus making steady gains in business performance. In the first half of 2025, the Group achieved a profit for the period of RMB126.138 billion, a decrease of 0.31% compared with the same period of the prior year. It realised a profit attributable to equity holders of the Bank of RMB117.591 billion, a decrease of 0.85% compared with the same period of the prior year. Return on average total assets (ROA) was 0.70% and return on average equity (ROE) was 9.11%.

The principal components and changes of the Group's consolidated statement of profit and loss are set forth below:

Unit: RMB million, except percentages

Items	**For the six-month period ended 30 June 2025**	For the six-month period ended 30 June 2024	Change	Change (%)
Net interest income	**214,816**	226,760	(11,944)	(5.27%)
Non-interest income	**114,602**	91,169	23,433	25.70%
Including: net fee and commission income	**46,791**	42,860	3,931	9.17%
Operating income	**329,418**	317,929	11,489	3.61%
Operating expenses	**(119,496)**	(108,290)	(11,206)	10.35%
Impairment losses on assets	**(57,502)**	(60,579)	3,077	(5.08%)
Operating profit	**152,420**	149,060	3,360	2.25%
Profit before income tax	**153,018**	149,203	3,815	2.56%
Income tax expense	**(26,880)**	(22,667)	(4,213)	18.59%
Profit for the period	**126,138**	126,536	(398)	(0.31%)
Profit attributable to equity holders of the Bank	**117,591**	118,601	(1,010)	(0.85%)

Net Interest Income and Net Interest Margin

In the first half of 2025, the Group recorded net interest income of RMB214.816 billion, a decrease of RMB11.944 billion or 5.27% compared with the same period of the prior year. Specifically, interest income decreased by RMB39.663 billion or 7.30% to RMB503.331 billion, while interest expense stood at RMB288.515 billion, a decrease of RMB27.719 billion or 8.77% compared with the same period of the prior year.

Interest Income

In the first half of 2025, interest income on loans and advances to customers was RMB339.351 billion, a decrease of RMB39.665 billion or 10.47% compared with the same period of the prior year, which was primarily attributable to falling interest rates of loans and advances to customers.

Interest income on financial investments amounted to RMB115.527 billion, an increase of RMB9.475 billion or 8.93% compared with the same period of the prior year, mainly due to an increase in investment scale.

Interest income on balances with central banks and due from and placements with banks and other financial institutions was RMB48.453 billion, a decrease of RMB9.473 billion or 16.35% compared with the same period of the prior year, mainly due to declines in both the scale and interest rates of balances with central banks and due from and placements with banks and other financial institutions.

Interest Expense

In the first half of 2025, interest expense on due to customers was RMB210.531 billion, a decrease of RMB25.851 billion or 10.94% compared with the same period of the prior year, which was primarily attributable to a decline in the interest rates of due to customers.

Interest expense on due to and placements from banks and other financial institutions was RMB51.998 billion, an increase of RMB639 million or 1.24% compared with the same period of the prior year, mainly due to an increase in the scale of due to and placements from banks and other financial institutions.

Interest expense on bonds issued was RMB25.986 billion, a decrease of RMB2.507 billion or 8.80% compared with the same period of the prior year, which was mainly due to a decline in the interest rates of bonds issued.

Net Interest Margin

In the first half of 2025, the Group's net interest margin was 1.26%, a decrease of 18 basis points compared with the same period of the prior year. This was mainly due to a reduction in RMB loan yields including the RMB Loan Prime Rate (LPR) downturn and adjustments for the rates of mortgage loans, and interest rate cuts of foreign currencies. The average interest rate of the Group's interest-earning assets fell by 48 basis points. The Bank proactively strengthened the management efforts to mitigate the impact of interest rate cuts, providing support for the Group's net interest margin. The Bank continued to strengthen control over funding costs through a development strategy that balanced and coordinated quantity and pricing, with the average interest rate of the Group's interest-bearing liabilities decreasing by 33 basis points. It also continually improved its business structure, with the proportion of average financial investment balance within interest-earning assets rising by 2.40 percentage points compared with the same period of the prior year. In addition, the average balance of RMB medium and long-term loans and advances in the Chinese mainland accounted for 72.51% of the Bank's total RMB loans and advances in the Chinese mainland, remaining at a relatively high level.

The average balances[1] and average interest rates of the major interest-earning assets and interest-bearing liabilities of the Group, as well as the impact on interest income/expense of variances in the volume factor and the interest rate factor[2], are summarised in the following table:

Unit: RMB million, except percentages

	For the six-month period ended 30 June 2025			For the six-month period ended 30 June 2024			Analysis of changes in interest income/expense		
Items	**Average balance**	**Interest income/ expense**	**Average interest rate**	Average balance	Interest income/ expense	Average interest rate	Volume factor	Interest rate factor	Total
Interest-earning assets									
Loans and advances to customers	**22,257,507**	**339,351**	**3.07%**	20,587,933	379,016	3.70%	30,633	(70,298)	(39,665)
Financial investments	**7,919,517**	**115,527**	**2.94%**	6,565,909	106,052	3.25%	21,815	(12,340)	9,475
Balances with central banks and due from and placements with banks and other financial institutions	**4,140,264**	**48,453**	**2.36%**	4,598,692	57,926	2.53%	(5,751)	(3,722)	(9,473)
Total	**34,317,288**	**503,331**	**2.96%**	31,752,534	542,994	3.44%	46,697	(86,360)	(39,663)
Interest-bearing liabilities									
Due to customers	**24,401,055**	**210,531**	**1.74%**	23,037,568	236,382	2.06%	13,928	(39,779)	(25,851)
Due to and placements from banks and other financial institutions	**4,960,302**	**51,998**	**2.11%**	4,068,146	51,359	2.54%	11,237	(10,598)	639
Bonds issued	**1,977,707**	**25,986**	**2.65%**	1,915,463	28,493	2.99%	923	(3,430)	(2,507)
Total	**31,339,064**	**288,515**	**1.86%**	29,021,177	316,234	2.19%	26,088	(53,807)	(27,719)
Net interest income		**214,816**			226,760		20,609	(32,553)	(11,944)
Net interest margin			**1.26%**			1.44%			(18) Bps

Notes:

1 Financial investments include debt securities at fair value through other comprehensive income, debt securities at amortised cost, investment trusts and asset management plans, etc.

2 Balances with central banks and due from and placements with banks and other financial institutions include mandatory reserves, surplus reserves, other placements with central banks and due from and placements with banks and other financial institutions.

3 Due to and placements from banks and other financial institutions include due to and placements from banks and other financial institutions, due to central banks and other funds.

1 Average balances are average daily balances derived from the Group's management accounts (unreviewed).

2 The impact on interest income/expense of variances in the volume factor is calculated based on the changes in average balances of interest-earning assets and interest-bearing liabilities during the reporting period. The impact on interest income/expense of variances in the interest rate factor is calculated based on the changes in the average interest rates of interest-earning assets and interest-bearing liabilities during the reporting period. The impact relating to the combined changes in both the volume factor and the interest rate factor has been classified as a change in the interest rate factor.

The average balances and average interest rates of loans and advances to customers and due to customers in the Chinese mainland, classified by business type, are summarised in the following table:

Items	**For the six-month period ended 30 June 2025**		For the six-month period ended 30 June 2024		Change	
	Average balance	**Average interest rate**	Average balance	Average interest rate	Average balance	Average interest rate
RMB businesses in the Chinese mainland						
			Unit: RMB million, except percentages			
Loans and advances to customers						
Corporate loans and advances	**11,992,754**	**2.82%**	10,771,521	3.23%	1,221,233	(41) Bps
Personal loans	**6,008,803**	**3.26%**	5,858,437	3.94%	150,366	(68) Bps
Trade bills	**978,813**	**0.95%**	525,125	1.25%	453,688	(30) Bps
Total	**18,980,370**	**2.86%**	17,155,083	3.41%	1,825,287	(55) Bps
Including:						
Medium and long-term loans and advances	**13,762,584**	**3.06%**	12,797,413	3.59%	965,171	(53) Bps
Short-term loans and advances within 1 year and others	**5,217,786**	**2.33%**	4,357,670	2.88%	860,116	(55) Bps
Due to customers						
Corporate demand deposits	**3,971,631**	**0.44%**	4,276,623	0.88%	(304,992)	(44) Bps
Corporate time deposits	**4,504,418**	**2.25%**	4,278,806	2.51%	225,612	(26) Bps
Personal demand deposits	**3,197,154**	**0.08%**	2,987,339	0.21%	209,815	(13) Bps
Personal time deposits	**6,633,853**	**2.16%**	5,820,343	2.48%	813,510	(32) Bps
Other	**768,291**	**2.07%**	743,740	2.49%	24,551	(42) Bps
Total	**19,075,347**	**1.47%**	18,106,851	1.73%	968,496	(26) Bps
Foreign currency businesses in the Chinese mainland						
			Unit: USD million, except percentages			
Loans and advances to customers	**29,194**	**4.67%**	52,267	4.80%	(23,073)	(13) Bps
Due to customers						
Corporate demand deposits	**66,398**	**2.55%**	51,432	2.35%	14,966	20 Bps
Corporate time deposits	**28,317**	**3.29%**	37,217	3.62%	(8,900)	(33) Bps
Personal demand deposits	**25,856**	**0.02%**	21,452	0.02%	4,404	Remain Unchanged
Personal time deposits	**20,564**	**1.81%**	20,035	2.01%	529	(20) Bps
Other	**1,281**	**2.36%**	1,443	1.81%	(162)	55 Bps
Total	**142,416**	**2.13%**	131,579	2.27%	10,837	(14) Bps

Note: "Due to customers – Other" includes structured deposits.

Non-interest Income

In the first half of 2025, the Group reported non-interest income of RMB114.602 billion, an increase of RMB23.433 billion or 25.70% compared with the same period of the prior year. Non-interest income represented 34.79% of operating income, an increase of 6.11 percentage points compared with the same period of the prior year.

Net Fee and Commission Income

The Group achieved net fee and commission income of RMB46.791 billion, an increase of RMB3.931 billion or 9.17% compared with the same period of the prior year. This was due to an increase in income from its agency business, custody and other entrusted business. Please refer to Note III.2 to the Condensed Consolidated Interim Financial Statements.

Other Non-interest Income

The Group realised other non-interest income of RMB67.811 billion, an increase of RMB19.502 billion or 40.37% compared with the same period of the prior year. This was primarily driven by rapid growth in net trading gains and sales revenue from the Group's precious metals business as it capitalised on market opportunities. Please refer to Notes III.3, 4 and 5 to the Condensed Consolidated Interim Financial Statements.

Operating Expenses

In line with the principle of conserving resources and avoiding waste, the Bank refined its financial management, tightened control over total expenses, optimised its cost structure, and made solid efforts to reduce costs and increase efficiency. In the first half of 2025, the Group recorded operating and administrative expenses (including staff costs, general operating and administrative expenses, depreciation and amortisation) of RMB82.628 billion, an increase of RMB1.657 billion or 2.05% compared with the same period of the prior year. The Group's cost to income ratio (calculated in accordance with regulations in the Chinese mainland) was 25.11%, a decline of 0.43 percentage points compared with the same period of the prior year. Please refer to Notes III.6, 7 to the Condensed Consolidated Interim Financial Statements.

Impairment Losses on Assets

The Bank consistently maintained a proactive and forward-looking approach to risk management, ensuring relatively stable credit asset quality. Meanwhile, the Bank strictly adhered to a prudent provisioning policy to maintain sufficient risk-absorption capacity. In the first half of 2025, the Group's impairment losses on assets totalled RMB57.502 billion, a decrease of RMB3.077 billion or 5.08% compared with the same period of the prior year. Please refer to the section "Risk Management – Credit Risk Management" and Notes III.8, 16 and Note IV.1 to the Condensed Consolidated Interim Financial Statements for more information on loan quality and the allowance for loan impairment losses.

Financial Position Analysis

The Bank committed to the nation's new development philosophy, dynamically adjusted its business strategies and continually improved its business structure, thus achieving steady growth in assets and liabilities. As at 30 June 2025, the Group's total assets amounted to RMB36,790.613 billion, an increase of RMB1,729.314 billion or 4.93% compared with the prior year-end. The Group's total liabilities amounted to RMB33,664.948 billion, an increase of RMB1,556.613 billion or 4.85% compared with the prior year-end.

The principal components of the Group's consolidated statement of financial position are set out below:

Unit: RMB million, except percentages

	As at 30 June 2025		As at 31 December 2024	
Items	**Amount**	**% of total**	Amount	% of total
Assets				
Loans and advances to customers, net	**22,488,178**	**61.12%**	21,055,282	60.05%
Financial investments	**9,225,800**	**25.08%**	8,360,277	23.84%
Balances with central banks	**2,268,227**	**6.17%**	2,467,857	7.04%
Due from and placements with banks and other financial institutions	**1,644,038**	**4.47%**	1,955,363	5.58%
Other assets	**1,164,370**	**3.16%**	1,222,520	3.49%
Total assets	**36,790,613**	**100.00%**	35,061,299	100.00%
Liabilities				
Due to customers	**25,638,312**	**76.16%**	24,202,588	75.38%
Due to and placements from banks and other financial institutions and due to central banks	**4,721,717**	**14.03%**	4,652,969	14.49%
Other borrowed funds	**2,207,880**	**6.56%**	2,099,510	6.54%
Other liabilities	**1,097,039**	**3.25%**	1,153,268	3.59%
Total liabilities	**33,664,948**	**100.00%**	32,108,335	100.00%

Note: "Other borrowed funds" includes bonds issued and other borrowings.

Loans and Advances to Customers

The Bank earnestly fulfilled its responsibilities as a large state-owned bank by focusing on the "Five Major Tasks", as well as increasing its support for nation's key strategies, key areas and weak links in the real economy. As a result, it achieved stable and balanced growth in its loan business. As at 30 June 2025, the Group's loans and advances to customers amounted to RMB23,049.676 billion, an increase of RMB1,455.608 billion or 6.74% compared with the prior year-end.

The Bank paid close attention to changes in the macroeconomic situation, continuously optimised its credit structure, strengthened risk identification and management in key areas and made greater efforts in the disposal of non-performing assets, thus maintaining generally stable asset quality. As at 30 June 2025, the balance of the Group's allowance for loan impairment losses amounted to RMB561.869 billion, an increase of RMB22.692 billion compared with the prior year-end. The balance of the Group's restructured NPLs amounted to RMB112.066 billion, accounting for 0.49% of the Group's gross loans and advances to customers (excluding accrued interest), which represented an increase of RMB13.317 billion and 0.03 percentage points respectively, compared with the prior year-end.

Loans and Advances to Customers by Geography

Unit: RMB million, except percentages

	As at 30 June 2025		As at 31 December 2024		As at 31 December 2023	
Items	**Amount**	**% of total**	Amount	% of total	Amount	% of total
Corporate loans and advances						
Chinese mainland: RMB	**13,588,149**	**58.95%**	12,219,758	56.59%	10,655,067	53.38%
Foreign currency	**225,401**	**0.98%**	246,551	1.14%	353,163	1.77%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**2,329,611**	**10.11%**	2,252,240	10.43%	2,289,792	11.47%
Subtotal	**16,143,161**	**70.04%**	14,718,549	68.16%	13,298,022	66.62%
Personal loans						
Chinese mainland: RMB	**6,069,943**	**26.33%**	6,029,919	27.93%	5,827,122	29.19%
Foreign currency	**1,810**	**0.01%**	1,777	0.01%	1,532	0.01%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**791,392**	**3.43%**	793,340	3.67%	781,311	3.91%
Subtotal	**6,863,145**	**29.77%**	6,825,036	31.61%	6,609,965	33.11%
Accrued interest	**43,370**	**0.19%**	50,483	0.23%	53,792	0.27%
Total loans and advances to customers	**23,049,676**	**100.00%**	21,594,068	100.00%	19,961,779	100.00%

Financial Investments

The Bank closely tracked financial market dynamics, seized investment opportunities, and dynamically adjusted its portfolio structure. As at 30 June 2025, the Group held financial investments of RMB9,225.800 billion, an increase of RMB865.523 billion or 10.35% compared with the prior year-end. Specifically, the Group's RMB investments totalled RMB6,887.529 billion, an increase of RMB662.038 billion or 10.63% compared with the prior year-end, while foreign currency financial investments totalled USD326.638 billion, an increase of USD29.661 billion or 9.99% compared with the prior year-end.

The classification of the Group's financial investment portfolio is shown below:

Unit: RMB million, except percentages

	As at 30 June 2025		As at 31 December 2024	
Items	**Amount**	**% of total**	Amount	% of total
Financial assets at fair value through profit or loss	**704,924**	**7.64%**	600,297	7.18%
Financial assets at fair value through other comprehensive income	**4,714,382**	**51.10%**	4,388,945	52.50%
Financial assets at amortised cost	**3,806,494**	**41.26%**	3,371,035	40.32%
Total	**9,225,800**	**100.00%**	8,360,277	100.00%

Financial Investments by Currency

Unit: RMB million, except percentages

	As at 30 June 2025		As at 31 December 2024	
Items	**Amount**	**% of total**	Amount	% of total
RMB	**6,887,529**	**74.66%**	6,225,491	74.47%
USD	**1,293,641**	**14.02%**	1,244,430	14.89%
HKD	**491,010**	**5.32%**	450,636	5.39%
Other	**553,620**	**6.00%**	439,720	5.25%
Total	**9,225,800**	**100.00%**	8,360,277	100.00%

Top Ten Financial Bonds by Value Held by the Group

Unit: RMB million, except percentages

Bond Name	Par Value	Annual Rate	Maturity Date	Impairment Allowance
Bond issued by policy banks in 2019	18,439	3.65%	2029-05-21	–
Bond issued by policy banks in 2019	18,037	3.48%	2029-01-08	–
Bond issued by policy banks in 2018	15,381	4.88%	2028-02-09	–
Bond issued by policy banks in 2022	15,130	2.82%	2027-06-17	–
Bond issued by financial institutions in 2025	15,000	1.85%	2028-02-28	(2)
Bond issued by policy banks in 2019	14,301	3.74%	2029-07-12	–
Bond issued by policy banks in 2019	13,311	3.86%	2029-05-20	–
Bond issued by policy banks in 2018	11,512	4.04%	2028-07-06	–
Bond issued by policy banks in 2023	11,108	2.87%	2028-02-06	–
Bond issued by policy banks in 2019	11,065	3.75%	2029-01-25	–

Note: Financial bonds refer to debt securities issued by financial institutions in the bond market, including bonds issued by policy banks, other banks and non-bank financial institutions, but excluding restructured bonds and PBOC bills.

Due to Customers

The Group accelerated product and service innovation, continuously improving the quality and efficiency of financial services to drive high-quality development in its deposit business. It steadily expanded low-cost deposit sources by actively developing key businesses such as payroll services, social security cards, fast payment services, personal pensions, and cash management services. In this way, it continuously improved deposit quality and optimised the balance between RMB deposit growth and cost control. At the same time, the Group supported China's high-level opening-up policy by providing diversified global services tailored to customer business needs, achieving solid growth in foreign currency deposits. As at 30 June 2025, the Group's due to customers amounted to RMB25,638.312 billion, an increase of RMB1,435.724 billion or 5.93% compared with the prior year-end.

Due to Customers by Geography

Unit: RMB million, except percentages

Items	As at 30 June 2025 Amount	As at 30 June 2025 % of total	As at 31 December 2024 Amount	As at 31 December 2024 % of total	As at 31 December 2023 Amount	As at 31 December 2023 % of total
Corporate deposits						
Chinese mainland: RMB	**9,057,786**	**35.33%**	8,862,649	36.63%	8,734,967	38.13%
Foreign currency	**739,626**	**2.88%**	564,823	2.33%	662,103	2.89%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**2,492,971**	**9.73%**	2,330,682	9.63%	2,133,252	9.31%
Subtotal	**12,290,383**	**47.94%**	11,758,154	48.59%	11,530,322	50.33%
Personal deposits						
Chinese mainland: RMB	**10,580,750**	**41.27%**	9,810,514	40.53%	8,926,078	38.97%
Foreign currency	**337,044**	**1.31%**	320,789	1.33%	302,198	1.32%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**1,598,726**	**6.24%**	1,540,094	6.36%	1,452,195	6.34%
Subtotal	**12,516,520**	**48.82%**	11,671,397	48.22%	10,680,471	46.63%
Certificates of deposits	**385,963**	**1.50%**	324,563	1.34%	310,212	1.35%
Others	**445,446**	**1.74%**	448,474	1.85%	386,045	1.69%
Total deposits	**25,638,312**	**100.00%**	24,202,588	100.00%	22,907,050	100.00%

Note: "Others" includes accrued interest.

Equity

As at 30 June 2025, the Group's total equity stood at RMB3,125.665 billion, an increase of RMB172.701 billion or 5.85% compared with the prior year-end. This was primarily attributable to the following factors: (1) In the first half of 2025, the Group realised a profit for the period of RMB126.138 billion, of which profit attributable to equity holders of the Bank amounted to RMB117.591 billion. (2) As per the 2024 dividend distribution plan approved at the General Meeting, a cash dividend of RMB35.798 billion was paid out on ordinary shares. (3) The Bank offered A Shares to specified investors, realising total proceeds of RMB165.0 billion. (4) The Bank optimised the management of existing capital and redeemed USD2.82 billion of Offshore Preference Shares (Second Tranche) and RMB40.0 billion of undated capital bonds. (5) The Bank paid a dividend on its preference shares of RMB3.4233 billion and interest on undated capital bonds of RMB6.206 billion. Please refer to the "Condensed Consolidated Interim Statement of Changes in Equity" in the Condensed Consolidated Interim Financial Statements.

Cash Flow Analysis

As at 30 June 2025, the balance of the Group's cash and cash equivalents was RMB1,882.745 billion, a decrease of RMB486.184 billion compared with the prior year-end.

In the first half of 2025, net cash flow from operating activities was an inflow of RMB33.639 billion, as compared to an outflow of RMB66.446 billion in the same period of the prior year. This was mainly attributable to an increase in net increase in due to central banks.

Net cash flow from investing activities was an outflow of RMB647.660 billion, a net increase of RMB488.573 billion compared with the same period of the prior year. This was mainly due to an increase in purchase of financial investments.

Net cash flow from financing activities was an inflow of RMB87.599 billion, a net decrease of RMB89.513 billion compared with the same period of the prior year. This was mainly due to an increase in cash paid for dividends, profits or interest payments and debt repayment.

Segment Information

From a geographical perspective, the Group operates in three principal regions: the Chinese mainland; Hong Kong (China), Macao (China) and Taiwan (China), and other countries and regions. From a business perspective, the Group provides financial services through corporate banking, personal banking, treasury operations, investment banking, insurance and other operations.

Operating income for the main geographical segments of the Group is set forth in the following table:

Unit: RMB million, except percentages

	For the six-month period ended 30 June 2025		For the six-month period ended 30 June 2024	
Items	**Amount**	**% of total**	Amount	% of total
Chinese mainland	**251,690**	**76.23%**	250,833	78.53%
Hong Kong (China), Macao (China) and Taiwan (China)	**63,193**	**19.14%**	53,701	16.81%
Other countries and regions	**15,300**	**4.63%**	14,896	4.66%
Elimination	**(765)**	**–**	(1,501)	–
Group	**329,418**	**100.00%**	317,929	100.00%

Note: Percentages of operating income for each geographical segment are calculated based on the amount before elimination.

Operating income for the main business segments of the Group is set forth in the following table:

Unit: RMB million, except percentages

Items	For the six-month period ended 30 June 2025		For the six-month period ended 30 June 2024	
	Amount	**% of total**	Amount	% of total
Commercial banking business	**298,320**	**90.56%**	292,001	91.84%
Including: Corporate banking	**119,439**	**36.25%**	124,052	39.02%
Personal banking	**130,044**	**39.48%**	132,637	41.72%
Treasury operations	**48,837**	**14.83%**	35,312	11.10%
Investment banking and insurance	**20,865**	**6.33%**	15,629	4.92%
Others and elimination	**10,233**	**3.11%**	10,299	3.24%
Group	**329,418**	**100.00%**	317,929	100.00%

Please refer to Note III.32 to the Condensed Consolidated Interim Financial Statements for more detailed information related to the Group's other operating results and financial position in terms of geographical and business segment categories.

Fair Value Measurement

Movement of Financial Instruments Measured at Fair Value

Unit: RMB million

Items	**As at 30 June 2025**	As at 31 December 2024	Change
Due from and placements with banks and other financial institutions at fair value, etc.	**69,088**	24,518	44,570
Financial assets at fair value through profit or loss			
Debt securities	**467,350**	371,973	95,377
Equity instruments	**120,521**	124,604	(4,083)
Fund investments and other	**117,053**	103,720	13,333
Loans and advances to customers at fair value	**1,143,929**	904,446	239,483
Financial assets at fair value through other comprehensive income			
Debt securities	**4,666,331**	4,344,920	321,411
Equity instruments and other	**48,051**	44,025	4,026
Derivative financial assets	**142,647**	183,177	(40,530)
Derivative financial liabilities	**(132,010)**	(153,456)	21,446
Due to and placements from banks and other financial institutions at fair value	**(26,106)**	(33,140)	7,034
Due to customers at fair value	**(39,878)**	(45,332)	5,454
Bonds issued at fair value	**(2,036)**	(1,970)	(66)
Financial liabilities held for trading	**(56,411)**	(57,604)	1,193

The Bank has put in place a sound internal control mechanism for fair value measurement. In accordance with the *Regulatory Guidelines on Valuation of Financial Instruments in Commercial Banks*, CAS and IFRS Accounting Standards, with reference to the Basel Capital Accord, and drawing on the best practices of international banks regarding valuations, the Bank formulated the *Valuation Policy of Financial Instrument Fair Values of Bank of China Limited* to standardise the fair value measurement of financial instruments and enable timely and accurate financial information disclosure. Please refer to Note IV.4 to the Condensed Consolidated Interim Financial Statements for more detailed information related to fair value measurement.

Other Financial Information

There are no differences between the shareholders' equity and profit for the period prepared by the Bank in accordance with IFRS Accounting Standards and those prepared in accordance with CAS. Please refer to Supplementary Information I to the Interim Financial Information for detailed information.

Business Review

Advancing the Solid Implementation of the Five Major Tasks

Since the beginning of 2025, the Bank earnestly implemented national decisions and plans, took necessary steps to deepen supply-side structural reform in the financial sector, and increased financial support for major strategies, key areas and weak links. It carried out the "Five Major Tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. The Bank promoted the implementation of the 14th Five-Year Plan, contributed to the high-quality development of the real economy, and achieved sound execution of its strategic objectives.

Technology Finance

The Bank placed great importance on providing financial support to enhance the nation's high-level self-reliance and self-improvement in science and technology and actively promoted high-level planning, high-standard services and high-quality development in technology finance. It offered solid support for the growth of technological enterprises and the development of technology-related industries, and took concrete steps to fulfil its responsibilities for providing financial services to bolster the nation's strengths in science and technology. As at 30 June 2025, the Bank provided credit support to 161.1 thousand technological enterprises, with outstanding loans totalling RMB4.59 trillion, alongside other comprehensive financial services amounting to over RMB780.0 billion in value.

Constructing a full-tier organisational structure for technology finance. The Bank gave full play to the professional capabilities and functions of its technology finance service centres at both the Head Office and branch level, built specialised featured outlets for technology finance in regional technology clusters, and established a "Head Office – Branch – Sub-branch" multi-level organisational system for technology finance, to rapidly respond to market demands.

Providing targeted support for the high-quality development of technological enterprises. The Bank upgraded its dedicated credit model tailored to the characteristics of technological enterprises, explored the due diligence and liability exemption aspects of its credit granting management system, planned and built data infrastructures for technology finance, and refined its customer assessment system. It launched a series of M&A loan pilot projects for technological enterprises, providing over RMB3.0 billion of loan financing support for M&A transactions to high-quality technological enterprises in Hangzhou, Ningbo, Chengdu and other cities. The Bank fully leveraged its traditional advantages in globalised operations to meet the overseas expansion needs of technological enterprises, offering high-quality cross-border financial services with a focus on resolving pain points in enterprises' cross-border capital management.

Continuously enriching the supply of financial services for technology-related industries. The Bank focused on the key areas of strategic emerging industries, continuously reinforced its research-driven approach, and supported the development of emerging sectors based on local conditions. It published an action plan for supporting the development of the AI industry chain, and launched the "BOC Sci-Tech Innovation Computing Power Loan" credit service in active AI innovation hubs such as Beijing, Shanghai and Shenzhen. As at 30 June 2025, the Bank had established cooperation with more than 2,300 core enterprises in the AI industry chain, with outstanding loans exceeding RMB400.0 billion. The total supply of the Bank's comprehensive financial services to technology-related industries, including equity investment, bonds, insurance and leasing, amounted to approximately RMB82.0 billion.

Building a comprehensive ecosystem for technology finance. The Bank successfully issued RMB20.0 billion in science and technology innovation bonds, to support technological innovation. It further promoted the "BOC Scientific and Technological Innovation Partnership Programme", with a focus on building platforms, strengthening synergies, promoting connection and coordinating multi-party resources to serve scientific and technological innovation. The Bank's comprehensive operation companies adopted the development of technology finance as a key business strategy, increasing financial support for technology investment, technology bonds, technology insurance and technology leasing, etc. It also continued to inject patient capital into the primary market for technological innovation by establishing a sci-tech innovation mother fund and supporting early-stage and growth-stage sci-tech enterprises through a model of "sub-funds + direct investment". Since the launch of the pilot policy for asset investment company (AIC) equity investment, the Bank has registered 15 AIC equity investment funds with a total subscribed capital of over RMB11.0 billion, making project investments in fields such as commercial aerospace. It has also launched new products to provide high-quality insurance protection for sci-tech enterprises, such as comprehensive insurance for unmanned aerial vehicles. In addition, the Bank has accelerated the development of sci-tech leasing products and strengthened comprehensive financial services for emerging fields such as AI, computing infrastructure and the low-altitude economy.

Green Finance

The Bank adhered to its goal of becoming the "bank of choice for green finance services" and incorporated green development concepts into every aspect of the Group's operations, management and business development, with the aim of becoming a driving force in green and low-carbon socioeconomic development.

Maintaining a leading position in green loans and bonds. The Bank achieved rapid growth in green loans. As at the end of June, the Bank's green loan balance (calculated based on PBOC statistical standards) reached RMB4,539.145 billion, an increase of 16.95% compared to the balance calculated under the same criteria at the end of the previous year. The Bank was among the market leaders in overseas green loans, placing first among Chinese banks in Bloomberg's "Global Green UoP Loans", "Global Sustainability-Linked Loans" and "Global Green Loan Principles Loans" rankings. It also maintained its leading position in green bond underwriting, with its domestic and overseas green bond underwriting scale reaching RMB210.981 billion and USD14.901 billion respectively, ranking first in the interbank market and among Chinese peers in Bloomberg's "Global Offshore Green Bonds" rankings respectively. The Bank's green bond investments exceeded RMB100.0 billion, ranking first in the list of "Investors in Green Debt Financing Instruments" compiled by the National Association of Financial Market Institutional Investors (NAFMII).

Offering abundant and diversified green products and services. The Bank continued to forge "BOC Green+" into a global brand, and launched dozens of green financial products and services across five categories, covering loans, bonds, consumption and integrated services, etc. In the first half of 2025, the Bank granted credit support to the world's largest single-site PV power station currently under construction, as well as Poland's single largest wind power project. It provided green factoring financing to support the construction of a PV power station, representing the first RMB credit insurance factoring financing project in Central and Eastern Europe. It also assisted the MOF in issuing an RMB-denominated green sovereign bond worth RMB6.0 billion in London, UK, which was the first-ever green sovereign bond issued by the MOF following the publication of *The People's Republic of China Sovereign Green Bond Framework*. Acting as a lead underwriter, the Bank assisted clients in issuing China's first green credit bond in 2025, as well as the world's first green bond to simultaneously comply with both the *European Green Bond Standard* (EU GBS) and the *Green Bond Principles* of the International Capital Market Association (ICMA).

Actively participating in green finance exchange and collaboration. The Bank actively performed its duties as a member of the Taskforce on Nature-related Financial Disclosure (TNFD) and deeply engaged in the work of the TNFD's No. 14 Workstream (identification of nature-related opportunities). It played an active part in the UK-China Green Finance Taskforce, acting as the lead Chinese institution of the UK-China Nature and Biodiversity Finance Work Taskforce. The Bank vigorously participated in the China Council meeting of the Sustainable Markets Initiative, the International Conference on Climate Investment and Finance, and other key events. It also actively contributed to the development of China's carbon market, receiving the 2024 "Special Contribution Award" from the China Beijing Green Exchange.

Strengthening green finance capacity building. The Bank launched a project to enhance its green finance management capabilities, enabling functions such as customer carbon emissions data management, the management of black-rated and red-rated enterprises based on environmental protection credit ratings, consistency verification of green loan tagging under the same contract, and notifications related to environmental protection penalties. It organised training sessions on green finance for new employees and professionals at different levels to improve their ability to support the high-quality development of green finance. The Bank also encouraged domestic institutions to enhance their green finance competitiveness across multiple dimensions, completed the 4th evaluation of its domestic green finance demonstration institutions, and selected outlets for the "Green Finance Characteristic Development Award". The Bank has now set up over 500 outlets with specialised green finance features.

Inclusive Finance

Upholding the fundamental purpose of financial services, the Bank continued to increase support for micro and small-sized market entities as well as urban and rural residents, constantly optimised its service model, stepped up resource input and actively created innovative products and services to promote the high-quality development of inclusive finance.

Continually enhancing the volume, coverage and quality of credit services. The Bank pressed ahead with efforts to "ensure volume, improve quality, stabilise prices, and optimise structure" of financial services for micro and small-sized enterprises, thus benefitting more market entities. As at the end of June, the Bank's outstanding inclusive finance loans to micro and small-sized enterprises (calculated based on NFRA statistical standards) reached RMB2,653.364 billion, growing by 16.39% compared with the prior year-end, and outpacing the Bank's average overall loan growth rate. The number of inclusive finance customers surpassed 1.72 million, up by 15.58% compared with the prior year-end. The Bank continued to make interest rate concessions to micro and small-sized enterprises, with the average interest rate of newly issued inclusive finance loans to micro and small-sized enterprises standing at 2.94%, realising a steady decrease in their financing costs. The asset quality of the Bank's loans to micro and small-sized enterprises remained controllable overall.

Adhering to the principle of benefitting the people with financial services and providing targeted services for national strategies. The Bank supported the cultivation of new quality productive forces, explored the service model of "technological finance + inclusive finance", increased credit support for micro and small-sized enterprises engaged in scientific and technological innovation, and promoted its intellectual property pledge financing business. As at the end of June, it had provided more than RMB700.0 billion of credit to more than 50,000 national and provincial-level specialised and sophisticated SMEs. The Bank supported efforts to stabilise employment by holding a special "Inclusive Loan for Employment Promotion" themed event for the fourth consecutive year and granting more than RMB300.0 billion of special-purpose loans to enterprises that help stabilise and expand employment in the first half of 2025, thus leveraging its financial strengths to stabilise both enterprises and employment.

Intensifying efforts in key areas and actively contributing to rural revitalisation. Focusing on key areas and weak links in agriculture, rural areas and farmers, the Bank further increased its input of financial resources. As at the end of June, the Bank's balance of agriculture-related loans was RMB2,868.323 billion, an increase of 14.69%. It strengthened financial support for food security by increasing credit supply to key areas of the food industry. The Bank contributed to the development of rural areas, providing steady support to major agricultural and rural infrastructure projects. It continued to strengthen its input of financial resources to key counties receiving national assistance, optimised the layout of its institutions, enhanced its service models, and improved the reach of its financial services.

Accelerating digital transformation and continuously enhancing service quality and efficiency. The Bank further enriched the functions of its inclusive products, advanced process optimisation, upgraded the features and services of its "BOC Inclusive Finance" app, expanded service scenarios, and enhanced the customer experience for inclusive finance. It continuously optimised the operational and management efficiency of its "Intelligent Management Platform" for inclusive services, which was honoured with the "Technological Innovation Award in Digital Inclusive Finance" at the 7th Digital Inclusive Finance Conference.

Pension Finance

The Bank actively served the national strategy of responding to China's aging population, deployed comprehensive resources in the three areas of pension finance, personal pension finance and eldercare industry finance, focused on the three major customer groups of governments, enterprises and individuals, and continued to construct a high-quality pension financial service system.

Comprehensively serving the multi-level and multi-pillar pension insurance system. The Bank gave full play to its professional capabilities and provided comprehensive, high-quality services in terms of national social security fund, basic pension insurance, enterprise annuities, occupational annuities, and personal pension funds. As at the end of June, the Bank had issued 126 million valid social security cards, opened 4.5264 million enterprise annuity individual accounts, and held RMB282.888 billion in entrusted pension funds and RMB1.23 trillion in pension funds under custody. It ranked 2nd and 3rd in the market respectively in terms of the number of enterprise annuity individual accounts and the size of enterprise annuities under custody. As one of the first pilot banks to provide personal pension services, the Bank fully supported the implementation of the personal pension system across the country, providing personal pension account management services for more than 10 million customers.

Actively building a one-stop personal pension financial service system. The Bank continuously enriched its supply of personal pension financial products including savings, wealth management, funds and insurance, to provide diversified investment options for customers. In the first half of the year, the Bank introduced eight eldercare wealth management products and eldercare-themed funds (including personal pension products), with its total scale of related funds under management standing at RMB43.929 billion at the end of June. The pension finance section on the Bank's mobile banking app was upgraded, offering services for eldercare asset overview, pension planning and pension investment. The Bank also made its offline service channels more elderly-friendly. As at the end of June, all its business outlets provided elderly-friendly services, and over 1,000 demonstration outlets for eldercare services had been established.

Supporting the high-quality development of the eldercare industry and silver economy. The Bank further stepped up credit support for the supply of products and services to elderly customers, the construction of new elderly-oriented infrastructures and elderly-friendly adaptation of existing infrastructures, and the design and R&D of intelligent elderly-assistive devices. It took active steps to ensure the transmission and implementation of policies related to relending facilities for service consumption and elderly care, and further increased financial support for the eldercare industry.

Digital Finance

The Bank seized opportunities presented by the development of the digital economy, strengthened the role of digital technology and data as core business drivers, constantly improved its financial services to make them more digitalised and intelligent, and continually built new growth drivers and new foundations for high-quality development.

Continuously unlocking the value of data. The Bank continued to advance "data-driven business empowerment" as well as data governance. It accelerated the "Bring in Every Single Grain" project, developed "BOC One Table", and advanced "business-oriented data applications" by developing wide tables for data storage and deepening the application of data analysis in precision marketing, risk prevention and control, and operation optimisation. The Bank also launched "data labelling" services to enhance the convenience and automation of business data classification, statistics and feature analysis.

Rapidly improving of the quality and efficiency of financial services. The Bank continued to promote the "Five Major Tasks" of the financial sector, with a focus on providing comprehensive financial services for technology innovation enterprises and attracting new customers along the industrial chain. It advanced the development of digital platforms for its corporate banking business, launched a project to enhance green finance management, and improved the online service system for its "BOC Quick Loan" product. It also developed a new pension business system and reshaped the core service capability of its integrated entrusted account management. The Bank supported the digital transformation of corporate banking by increasing the application and promotion of AI, leveraging satellite remote sensing technology for post-lending management, and facilitating the implementation of technologies such as large models and optical character recognition (OCR). In addition, it developed scenario-based ecosystem services and extended customer reach based on the BOC Treasury and BOC Park service platforms. The Bank developed online access channels for corporate customers and accelerated the application of WeCom in customer marketing to facilitate closer connections with clients. It officially released the HarmonyOS version of its corporate mobile banking platform, introduced a dedicated foreign exchange service feature, and continuously iterated and optimised its domestic corporate online banking platform to enhance the customer experience for high-frequency services. Moreover, it supported the digital transformation of personal banking by streamlining the processes for account opening, modification, and closure. The Bank's monthly active personal mobile banking users recorded 97.59 million, up by 8.59% year-on-year, with total transaction volume reaching RMB26.12 trillion in the first half of the year. To contribute to China's high-level opening-up, the Bank also launched the "BOC Compass" app to provide one-stop services, including dining, accommodation, travel, tourism and shopping, for overseas visitors to China.

Deepening the digital transformation of cross-border business. The Bank officially launched its "Payment Connect" service, connecting Chinese mainland and Hong Kong SAR fast payment systems, with bidirectional transactions exceeding 10,000 on the first day of operation. It continued to enhance its cross-border e-commerce settlement product, "BOC Cross-border E-Business Express", providing full-process, one-stop digital financial services for new forms of foreign trade. In the first half of the year, the Group's total cross-border e-commerce transaction volume reached RMB536.408 billion, a year-on-year increase of 42.10%.

Steadily advancing the innovative application of digital currency. The Bank actively promoted consumption, with the volume of e-CNY consumption remaining among the highest in the market. It explored the use of digital currency smart contracts in empowering industrial chain finance, driving deep integration between digital technology and the real economy, and promoted the transformation and upgrading of traditional industries, thus building enterprise-level smart contract capabilities. It also developed innovative digital currency applications, such as the "CUBe Card", to improve the convenience and enhance customer experience for scenarios such as inbound travel for overseas visitors.

Commercial Banking in the Chinese Mainland

With a focus on supporting the country's major strategies, key areas and weak links, the Bank achieved remarkable results in improving the quality and efficiency of its services to the real economy, while continuing to advance high-quality development. In the first half of 2025, the Group's commercial banking business in the Chinese mainland recorded an operating income of RMB244.765 billion, an increase of RMB347 million or 0.14% compared with the same period of the prior year. Details are set forth below:

Unit: RMB million, except percentages

	For the six-month period ended 30 June 2025		For the six-month period ended 30 June 2024	
Items	**Amount**	**% of total**	Amount	% of total
Corporate banking business	**99,951**	**40.84%**	102,579	41.97%
Personal banking business	**116,663**	**47.66%**	120,077	49.13%
Treasury operations	**27,785**	**11.35%**	21,594	8.83%
Others	**366**	**0.15%**	168	0.07%
Total	**244,765**	**100.00%**	244,418	100.00%

Corporate Banking

The Bank continued to promote the transformation and upgrading of its corporate banking business while vigorously supporting the development of the real economy. It stepped up support for technology finance, inclusive finance, and pension finance, enhanced the quality of its services for advanced manufacturing and the construction of industrial systems for the digital economy, and supported the region-specific development of new quality productive forces. Leveraging its financial strength, the Bank served the coordinated development of regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt, thus assisting in the implementation of national strategies. It continuously improved its comprehensive customer segmentation marketing management system so as to consolidate its development foundations. Relying on its characteristics in comprehensive operations, the Bank provided comprehensive customised financial services covering credit, direct financing and asset-backed securitisation to meet customers' diverse financing demands. In the first half of 2025, the Bank's corporate banking business in the Chinese mainland recorded an operating income of RMB99.951 billion.

Corporate Deposits

The Bank continued to promote the high-quality growth of its deposit business, adhering to the coordinated development of quantity and price. It actively optimised its business structure, intensified deposit pricing management, maintained a balanced relationship between preventing risks and promoting development, and continuously pushed for reasonable growth in quantity and effective improvement in quality. The Bank continued to improve its customer segmentation marketing management system, enhanced its customer-centric philosophy, strengthened comprehensive service capacity and vigorously advanced the building of systematic and diverse service scenarios. It gave full play to the strategic positioning of its administrative institution business, focused on the core concerns of the government, and improved the quality of its financial services for governments. As at 30 June 2025, RMB corporate deposits of the Bank's commercial banking business in the Chinese mainland totalled RMB9,057.378 billion. Foreign currency corporate deposits amounted to USD103.320 billion, ranking first in market share among domestic peers.

Corporate Loans

The Bank closely focused on customer needs with a view to comprehensively empowering the high-quality development of its corporate loan business. It continuously increased loan support for key sectors and steadily advanced customer base expansion and volume growth in technology-related loans. The Bank grew its customer base through multiple measures, such as building data infrastructure for technology finance and providing exclusive credit facilities for key customers. It also strengthened credit access for enterprises transitioning from the start-up stage to the growth stage, offering full-process financial support to technology-based enterprises. The Bank continuously enhanced financial supply, deepened service innovation and fully supported foreign trade enterprises in securing orders, expanding markets, strengthening capabilities and boosting development, thus solidly fulfilling its role as a main channel for foreign trade financial services. It closely tracked lists of key green projects, such as the green and low-carbon advanced technology demonstration projects of the National Development and Reform Commission, and increased credit support for high-potential industries including green highways, green logistics and water resource recycling, thus contributing to green and low-carbon development. The Bank further improved the quality of its refined pricing management and conducted post-evaluations to track pricing performance. As a result, it achieved steady growth in total loan volume and continuously enhanced market competitiveness. The Bank strengthened the full-process management of its loan business, improved overdue loan management, and intensified monitoring and analysis of potential risks in key areas such as real estate and local government debt. It also continuously enhanced its cross-cycle management capabilities. As at 30 June 2025, RMB corporate loans of the Bank's commercial banking business in the Chinese mainland reached RMB13,521.510 billion, while foreign currency corporate loans stood at USD30.928 billion equivalent. Corporate green loans, loans to private enterprises, and loans to the manufacturing industry increased by 17.21%, 12.93% and 12.99% respectively compared with the prior year-end.

Investment Banking Business

The Bank provided customers with diversified financial products and all-round financial services including bond underwriting and distribution, financial advisory services and asset-backed securitisation. It assisted in the construction of multi-level domestic capital markets while meeting customers' direct financing needs. It ranked among the top tier in the China Interbank Bond Market (CIBM) in terms of lead underwriting volume for credit bonds, and led the market in the allotment volume of credit bonds in the CIBM. The Bank actively engaged in the promotion of innovative green bond products, maintaining a leading market position in green bond underwriting. Its ABS underwriting volume outperformed peers. The Bank continuously sharpened its cross-border competitive advantages, leading the market in the underwriting volume of Panda bonds, Chinese offshore bonds and offshore RMB bonds. It comprehensively addressed customer needs in mergers and acquisitions, equity financing, project financing, debt restructuring, asset divestiture, cross-border investment and financing, market analysis, industry research and policy interpretation, and provided professional financial advisory services. It prudently developed its credit asset-backed securitisation business and issued four NPL asset-backed securitisations with a total issuance volume of RMB3.046 billion in the first half of 2025.

Financial Institutions Business

Leveraging its global and integrated business platform, the Bank provided comprehensive and high-quality financial services to customers of financial institutions around the world. The Bank deepened cooperation with various types of financial institutions. It maintained correspondent relationships with approximately 1,200 institutions around the world and has opened 1,568 cross-border RMB clearing accounts for correspondent banks from 116 countries and regions, establishing itself as a leader among Chinese banks. The Bank promoted the RMB CIPS and has forged indirect participant partnerships with over 700 domestic and overseas financial institutions, capturing the largest market share among peers. Its custodian service for Qualified Foreign Investors (QFI) and its agency service for overseas central banks and other sovereign institutions led the industry in terms of both customer base and business scale. It also ranked first in the amount under custody of bonds invested by overseas institutions in the CIBM. The Bank actively promoted RMB internationalisation. It participated in the first CIPS Exhibition on Bank-Enterprise Collaboration, including hosting an exhibition booth, took part in the global launch ceremony for the new CIPS RMB international letter of credit services, and was the only bank to sign a memorandum of understanding with the CIPS Co., Ltd. during the exhibition. The Bank has established multi-level partnerships with sovereign institutions and international multilateral financial institutions. Through these partnerships, it provided global clearing and payment services covering major currencies, as well as continuously offering overdraft facilities for clearing accounts. Acting as lead underwriter, it successfully assisted New Development Bank BRICS and Asian Development Bank in issuing Panda bonds, and Asian Infrastructure Investment Bank in price-setting for sustainable development bonds. The Bank facilitated high-level opening-up, actively supporting the first batch of insurance institutions to participate in a gold business pilot programme on the Shanghai Gold Exchange. On the day of launch, it provided trading quotes, custody services and margin depository bank services for PICC Property and Casualty Co., Ltd., and China Pacific Life Insurance Co., Ltd., among others.

Transaction Banking

Relying on its strong network of domestic institutions and digital service capabilities, the Bank continuously deepened the layout of its transaction banking business, pursued business model innovation and enhanced its corporate service capabilities. It implemented national policies for stabilising foreign trade, publishing systematic work plans such as the *Measures of Bank of China for Supporting the Stable Development of Foreign Trade*, optimised and upgraded settlement products including "Cross-border Remittance Express", "Shipping Express" and "Shipping Online Connect", and increased financial support for foreign trade enterprises that are striving to stabilise orders and expand markets. As a result, the Bank achieved steady growth in the scale and competitiveness of businesses such as international trade settlement, cross-border e-commerce settlement and cross-border letters of guarantee, maintaining its lead in the market. It fully capitalised on opportunities arising from major exhibitions, successfully supporting events such as the Spring Canton Fair and the China International Consumer Products Expo, actively facilitating preparations for the China International Import Expo, the China International Fair for Trade in Services and the Autumn Canton Fair, and helping enterprises expand their international "circle of friends" through these platforms. By successfully hosting the "2025 RMB Internationalisation Forum" and expanding the coverage and quantity of RMB cross-border application scenarios in fields such as commodities, it deepened efforts to promote RMB internationalisation while continuously growing its market and professional influence and steadily increasing its cross-border RMB settlement volumes. The Bank continuously enhanced its efficiency in serving the real economy, refined its comprehensive account opening process for corporate clients, optimised application forms and enriched contract signing products, further reducing the time it takes for enterprises to open accounts. Actively responding to customer demand, it optimised OCR for remittance applications and enhanced the accuracy of automatic recognition, making cross-border remittance faster and more efficient for enterprises. Focusing on customers' short-term financing needs, the Bank provided customers with an integrated product and service system offering flexible transaction banking products such as notes, letters of credit and factoring.

Inclusive Finance

The Bank continuously increased credit support to the field of inclusive finance, focused on key strategies, key areas and weak links, and strived to build an inclusive finance service system tailored to the development needs of market entities. To empower scientific and technological innovation of SMEs, the Bank formulated the *Action Plan for Promoting Financing for Specialised and Sophisticated SMEs through the "One Chain per Month" Campaign*, facilitating the development of such technology innovation enterprises through financial services. It also provided intellectual property pledge financing solutions. As at 30 June 2025, the Bank had recorded nearly RMB18.780 billion in intellectual property pledge financing loans, serving over 2,400 customers. To support people's livelihood and employment and prioritise employment and entrepreneurship needs, the Bank carried out the "Benefits Throughout the Four Seasons" campaign, targeting groups such as self-employed individuals, new urban residents, foreign trade merchants and veterans, and launched exclusive financial services such as loans for "famous-brand, special, excellent and new products", "Innovation Support Loan", and

"Veteran Support Loan". The Bank also promoted rural revitalisation and enhanced credit services for the "Three Rural" sectors (agriculture, rural areas, and farmers). As at 30 June 2025, the balance of agriculture-related loans increased by RMB367.422 billion compared with the prior year-end. To strengthen financial services for new types of agricultural operating entities, the Bank supported the development of rural specialty industries and prosperity-oriented industries in counties and townships based on local conditions, actively contributed to the integrated development of the rural culture and tourism industry, and improved the accessibility and convenience of agriculture-related financial services.

Pension Business

The Bank faithfully implemented the national strategy of actively responding to the aging population, and deployed comprehensive resources in the three areas of pension finance, personal pension finance and eldercare industry finance, striving to construct a pension financial service system featuring abundant products and excellent services, and contributing its strength to the high-quality development of the aging society. As at 30 June 2025, the Bank's entrusted pension funds reached RMB282.888 billion, an increase of RMB23.797 billion or 9.18% compared with the prior year-end. Enterprise annuity individual accounts held by the Bank reached 4.5264 million, up by 90.6 thousand or 2.04% compared with the prior year-end. The Bank provided enterprise annuity services for more than 20 thousand institutional clients.

Personal Banking

Adhering to a customer-centric approach, the Bank made every effort to build a high-quality personal banking service system that promotes shared value creation for users and customers, and delivers win-win outcomes in terms of utility and profitability. As at 30 June 2025, the Bank's domestic commercial banking business served approximately 546 million personal customers, an increase of 1.15% compared with the prior year-end, representing a growing market share among comparable peers. In the first half of 2025, the Bank's personal banking business in the Chinese mainland realised an operating income of RMB116.663 billion.

Account Management Business

The Bank is committed to offering inclusive and high-quality account management services. Focusing on its pension finance service system, it strengthened personal pension services, continuously enriched products and coverage, optimised related systems and functions, and upgraded its one-stop comprehensive pension scheme covering pension account opening, contribution and asset management, etc. As at 30 June 2025, it provided personal pension account management services for more than 10 million customers. It continued to promote the Chinese mainland personal account opening witness service in Hong Kong (China) and Macao (China) (known as the "Greater Bay Area Account Opening" service), and provided secure and convenient digital card services. As at 30 June 2025, the Bank had opened over 400 thousand accounts via its "Greater Bay Area Account Opening" service, an increase of 4.29% compared with the prior year-end. The Bank proactively reduced fees and made profit concessions, waiving personal debit card annual fees and management fees for petty accounts.

Wealth Finance Business

In line with the principles of openness and mutual benefit, the Bank solidly advanced the high-quality development of its wealth management business and contributed to increasing residents' non-salary income. It provided a wide range of product options and continually enhanced its product selection capability in pursuit of a "market-wide + Group-wide" product shelf. Taking a differentiated approach to various investment products, the Bank conducted follow-up evaluation and dynamic adjustments in line with market conditions to meet the customer demand for wealth management across asset classes, strategies and regions. It steadily expanded cooperation with up to 19 wealth management companies, maintaining a leading position among its comparable peers. The Bank launched commercial pension product distribution services, and distributed the fixed-term, principal-guaranteed products of all four pilot pension insurance companies. It strengthened its professional asset allocation capabilities, offered wealth allocation recommendations in accordance with customers' risk appetites and market conditions, and provided customers with comprehensive wealth management planning to meet their multi-faceted demands for liquidity, profitability and safety, etc. To enhance its whole-process customer service capabilities, the Bank continuously optimised "BOC Investment Strategy", a global information service system covering major asset categories across different time intervals. It also expanded its "Fortune" mobile banking community, providing customers with a broader range of market data and investor education content. As at 30 June 2025, 44 cooperating financial institutions, including funds, insurance, brokerage firms, wealth management and other businesses, operated in the "Fortune" community. Ongoing efforts were made to optimise the filtering and display of wealth management products on the Bank's mobile banking platform and enhance user-friendliness. As at 30 June 2025, the total financial assets under management of the Group's personal customers reached approximately RMB16.83 trillion, with a steady increase in both the customer base and assets under management of medium and high-end customers. The Bank has established 8,592 wealth management centres and 1,217 prestigious wealth management centres in the Chinese mainland.

Private Banking Business

The Bank remains committed to developing full-scenario and customised private banking services. It continued to improve its investment strategy information service, including regularly publishing investment strategy reports, optimised its round-the-clock distribution of non-proprietary private banking products, and enriched insurance products for private banking customers. The Bank enhanced automation within its asset allocation services, providing customised solutions. It accelerated the development of its trust business, with the number of wealth management service trust and charitable trust customers increasing by 43.64% compared with the prior year-end. It enhanced its "Entrepreneur Office" service, organising the "GBIC (Government, Banks, Investment Banks and Insurance, Corporations and Clients) Development Conference", and providing comprehensive service solutions for entrepreneurs establishing an overseas presence and exploring overseas market opportunities. The Bank enhanced global integrated services for private banking customers, improving the cross-border service experience. It fulfilled its social responsibilities, supporting the "BOC Private Select – Charity Platform – Spring Bud Project" for the 11th consecutive years, promoting the issuance of charitable products and trusts, and carrying out the "Eternal Flame" intangible cultural heritage preservation and transmission initiative. As at 30 June 2025, the Group had approximately 216.9 thousand private banking customers with RMB3.40 trillion of financial assets under management, and had established 205 private banking centres in the Chinese mainland.

Personal Foreign Exchange Business

Focusing on key customers, key regions and key businesses, the Bank accelerated product and service innovation and continued to optimise its personal foreign exchange services to consolidate its leading advantages. As one of the first domestic participants in cross-border Payment Connect, the Bank became the first domestic bank to support all cross-border personal banking business scenarios under the scheme, with more than 10 thousand two-way transactions on the day of launch. It expedited the roll-out of self-service currency exchange machines, which now support e-CNY exchange and offer screen and voice guidance in 8 languages, maintaining its market leadership in the number of such machines. The Bank had over 1,700 authorised exchange counters, retaining the largest market share among comparable peers. As at 30 June 2025, the Bank continued to lead its domestic peers in terms of volume of personal foreign currency exchange against RMB and foreign currency personal deposits. It also continued to lead peers in terms of personal deposit-withdrawal currency coverage, offering 22 currencies, and personal foreign currency cash exchange coverage, offering 36 currencies.

Consumer Finance Business

Closely focusing on the consumption needs of residents, the Bank intensified its efforts to improve its consumer finance services. The Bank continuously grew its housing loan scale and supported the steady and healthy development of the real estate market. In swift response to a series of policies aimed at boosting consumption, the Bank issued the *Special Action Plan on Developing Consumer Finance to Boost Consumption*. With a systematic set of implementation measures in place, it enhanced financial services in the consumption sector and took targeted and effective measures to boost consumption, thereby expanding the coverage and volume of its business services. As at 30 June 2025, RMB personal loans of the Bank's commercial banking business in the Chinese mainland totalled RMB6,069.943 billion, an increase of RMB40.024 billion or 0.66% compared with the prior year-end.

Bank Card Business

Deeply aligning with customers' comprehensive needs, the Bank steadily improved card functionality and user experience to cement its development foundations.

Improving the quality and efficiency of debit card services to support people's well-being. The Bank further enhanced the functionality of its social security cards through "all-in-one card" functional upgrades, and launched the "BOC-China Railway & Banking Expresspay" third-generation social security card in Tianjin, becoming the first bank to integrate financial services, social security, and local and inter-city transport in a single card. As at 30 June 2025, the Bank had cumulatively issued 126.2614 million physical social security cards. To serve the country's rural revitalisation strategy, it vigorously promoted rural revitalisation themed debit cards, with a total of 7.6159 million cards issued. To improve its digital service capabilities, the Bank optimised the customer experience in quick payment card binding and payment processes, and introduced functions such as one-click card switch for accounts with insufficient balance, and one-click multi-binding without page redirection on the bank side. As at 30 June 2025, the Bank had cumulatively issued 723.2504 million debit cards.

Enhancing the comprehensive service capabilities of credit cards to cover multi-dimensional consumption scenarios. Focusing on key customer groups, the Bank upgraded the benefits offered under its "Great Wall" premium product series to private banking, wealth management and financial management customers, as well as introducing a beneficiary-customisable benefits access mechanism. For younger customers, the Bank launched the capybara-themed "YOU Card", while for culture and tourism customers, it issued a BOC Hainan Free Trade Port themed credit card, thus improving customer loyalty and service experience. Focusing on consumption scenarios such as cross-border transactions, digital products, home appliances, culture and tourism, catering and traveling, the Bank collaborated with mainstream payment institutions and card organisations to launch preferential activities such as credit card payment discounts and gifts based on reaching certain consumption thresholds. During peak consumption periods, the Bank intensified marketing efforts and increased resource input to satisfy customers' diverse consumption needs. With a focus on large-value consumption scenarios, it optimised and upgraded its credit card instalment service plans to meet the consumers' replacement demands for automobiles, home decoration, home appliances, mobile phones, and digital products, facilitating the expansion and improving the efficiency of the national trade-in policy. The Bank consolidated high-quality new energy vehicle instalment cooperation channels and deepened cooperation with leading merchants on its instalment platform. This reduced customers' financing costs and enhanced the coverage and accessibility of financial services. To support brand building, the Bank took the 40th anniversary of its first issued credit card as an opportunity to burnish its brand image, thus increasing the value of its brand. As at 30 June 2025, the Bank had cumulatively issued 148.5135 million credit cards, with a total consumption amount of RMB529.577 billion.

Payment Merchant Business

Upholding the principle of "payment for the people", the Bank diligently facilitated payment services while always prioritising customer experience. Focusing on key customer groups, the Bank enhanced its payment service capabilities for elderly customers, achieving a 100% rate for elderly-friendly renovation across all branches and distributing approximately 4.83 million "petty cash packs". To serve China's high-level opening-up, it refined its payment service capabilities for overseas visitors to China. In provinces and cities included in the visa-free transit policy, the Bank intensified the expansion and coverage of overseas card-accepting merchants for key industries such as food, accommodation, transportation, travel and shopping. It also made cash withdrawal more convenient for overseas visitors. As at 30 June 2025, the proportion of the Bank's ATMs offering foreign card withdrawal services reached 100%, while the proportion of branches providing foreign currency exchange services stood at 99%. Focusing on key scenarios, the Bank expanded the coverage of its Railway e-Card services to 90 inter-city railway lines, covering key areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, and serving over 44 million journeys. The coverage of its mobile banking QR code services for public transport also continued to expand.

Financial Markets Business

The Bank closely tracked financial market dynamics, leveraged its unique advantages in financial markets business, stepped up efforts to ensure prudent and compliant operations and continually adjusted its business structure, thus promoting the high-quality development of its financial markets business.

Investment Business

The Bank strengthened its professional forecast and analysis of macroeconomic and financial market trends, dynamically optimised its portfolio structure, and effectively balanced market risks and investment opportunities. It supported the development of the real economy, increased investment in key areas such as Chinese government bonds, local government bonds, sci-tech innovation bonds, green bonds and private enterprise bonds, retained its position as a leading investor in green debt financing instruments, and participated in the first interbank market sci-tech innovation bond investment. The Bank developed and named the China Local Government Bond Index to support the opening up of China's bond market. It strengthened the active management of foreign currency portfolios, seized market opportunities brought about by volatile USD exchange rates, and enhanced portfolio diversification across assets and currencies, thus steadily increasing its foreign currency portfolio yield while properly controlling risks.

Trading Business

The Bank constantly optimised its financial markets service system, focused on improving its comprehensive customer service capabilities, and continuously elevated its market advantages. It provided quotes for 42 currencies against RMB, including the newly-listed Serbian Dinar and Polish Zloty, leading the domestic market in terms of foreign exchange settlement and sales volume and the total number of tradable foreign currencies. It actively fulfilled its responsibilities as a core market-maker, constantly enriched and improved its quantitative trading strategies, explored the application of new technologies such as AI in trading business, and enhanced its market-making capabilities. The Bank retained the leading position among gold market-makers on the Shanghai Gold Exchange. It actively served insurance institutions participating in the onshore gold trading market as a member of the Shanghai Gold Exchange, and accomplished the first gold spot trading transaction with an insurance institution. The Bank fully served the real economy, actively advocated the concept of FX exposure neutrality, and used a comprehensive range of financial market trading tools to help enterprises manage exchange rate risks. It continued to improve the functions of its electronic channels and upgraded the quality and efficiency of its hedging services for micro, small and medium-sized enterprises. The Bank supported the development of the "Science and Technology Innovation Board" of the CIBM, and jointly created the "Bank of China-Huatai Securities Short-and-Medium-term Sci-tech Innovation Bond Joint Quotation Basket". It supported the development of a multi-level bond market, optimising its OTC bonds product and enriching product supply. The Bank served the high-level opening-up of finance. It was among the first to sign the Swap Connect agreement with foreign institutional investors and participated in the expansion and upgrading of Swap Connect products. The Bank further streamlined international capital investment channels, continuously expanded services for overseas institutional investors, remained at the forefront of the market in terms of the volume of cash bond transactions and interest rate swap transactions with overseas institutions, and ranked first in the market in terms of the volume of bond custody for foreign institutions. It was among the first to participate in offshore RMB bond repo transactions collateralised by bonds held via Bond Connect, further enriching the application scenarios of RMB assets. The Bank built a solid line of defence against risks, strengthened its forward-looking, proactive and professional forecasting and analysis of financial markets, responded to market changes in an agile and efficient manner, and constantly improved its risk management and control capabilities.

Custody Business

The Bank continued to optimise its custody services and further enhanced operational quality and efficiency. To support the development of new quality productive forces, it successfully acted as the custodian bank for three of the first batch of heavyweight broad-based science and technology composite index exchange-traded funds (ETFs), ranking first in the market by quantity. The Bank provided high-quality, mature custody services for industrial parks, low-income rental housing, consumer infrastructure and highway assets, with the number of publicly offered real estate investment trust funds (REITs) under its custody ranking among the top tier in the market. The Bank was among the first to implement custody services for gold investment by insurers and was awarded the contract for the only occupational annuity plan to be added by Beijing Municipality during the period. It deepened cooperation with key client groups, leading major peers in terms of growth in the scale of key wealth management products and fund outsourcing. As at 30 June 2025, the Group's custody assets had exceeded RMB22 trillion, representing the highest growth rate among its major peers and demonstrating steady enhancement in market competitiveness.

Village Bank

BOC Fullerton Community Bank actively implemented China's rural revitalisation strategy and adhered to the development concept of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". It continued to improve its product and service systems and remained committed to providing modern financial services to rural customers, county-level micro and small-sized enterprises, individual merchants and wage earners. As at 30 June 2025, BOC Fullerton Community Bank controlled 134 village banks via the establishment of new institutions or M&A, with 188 sub-branches in 22 provinces (including municipalities directly under the central government). Of these, 90 banks with legal person status were located in the mid-west region. As at 30 June 2025, the balances of total deposits and loans of these banks stood at RMB84.089 billion and RMB84.596 billion respectively. The NPL ratio was 1.93%, and the coverage ratio of allowance for loan impairment losses to NPLs was 171.27%.

Globalised Operation

The Bank comprehensively leveraged its globalised advantages, further deepened coordination across the Group, gave further play to the service mechanism of "accessing the Bank's global resources and services at any point of contact", and strived to enhance its global development capabilities and international competitiveness.

Realising steady and orderly development in its globalised businesses and constantly improving its ability to create value. As at the end of June 2025, the Bank's overseas commercial banking business held deposits of USD631.809 billion, an increase of 7.25% compared with the prior year-end, and had issued loans and advances to customers of USD435.524 billion, an increase of 2.79% compared with the prior year-end. In the first half of the year, the Bank's overseas commercial banking business achieved a profit before tax of USD5.585 billion, an increase of 10.88% compared with the same period of the prior year, contributing 26.23% of the Group's total profit before tax, an increase of 2.28 percentage points year-on-year.

Continuing to optimise its global network to meet the financial service needs of global clients. As at the end of June 2025, the Bank had 539 overseas institutions covering 64 countries and regions outside the Chinese mainland, including 45 Belt and Road partner countries, encompassing all of the world's important strategic nodes. With its extensive presence, the Bank promoted cross-border business, trade and economic exchange, providing premier financial services for high-quality "Bringing In" and high-level "Going Global" initiatives.

Continually improving the regional and intensive development mechanism for its overseas institutions and cultivating synergies to drive coordinated growth. The Bank formulated the *BOCHK Southeast Asia Regional Development Action Plan*, gave full play to the role of BOCHK in driving the development of its overseas institutions in Southeast Asia and enhancing their overall comprehensiveness, reinforced the capability of BOC (Europe) as the Intermediate Parent Undertaking (IPU) of Bank of China in the EU, and continued to advance intensive operations in its middle and back offices.

Strengthening top-level design for globalised development and further improving global service capabilities. The Bank implemented and dynamically optimised market-by-market growth strategies for overseas institutions, tapped the potential of overseas markets, delivered diversified professional services for clients worldwide and continuously enhanced its market competitiveness.

Corporate Banking

Leveraging the service mechanism of "accessing the Bank's global resources and services at any point of contact", the Bank fostered synergies between its overseas and domestic institutions and further deepened its presence in global markets, with the aim of providing comprehensive and high-quality financial services to "Going Global" and "Bringing In" enterprises, Fortune 500 companies and overseas local enterprises.

Serving high-level opening-up. Guided by the eight major steps for high-quality Belt and Road cooperation, the Bank used its financial strength to deepen the "hard connectivity" of infrastructure, the "soft connectivity" of rules and standards, and the "heart connectivity" between the peoples of partner countries, advancing major signature programmes and "small yet smart" livelihood projects. Based on local markets conditions, the Bank deeply engaged in bilateral economic and trade exchanges, with international settlement business maintaining steady growth. Both the international settlement volume of overseas institutions and the scale of cross-border RMB settlement business grew compared with the same period of the prior year. Trade financing business developed steadily, and the scale of businesses such as commodity-related financing, letters of credit and guarantee remained stable, as the Bank provided enterprises with diverse forms of credit support to aid their expansion into international markets. It further optimised the key regional layout of its cash management business, continuously improved the capabilities and service efficiency of its centralised cross-border fund management, and actively customised fund management solutions to help enterprises achieve high-quality development in their global operations. The number of overseas cash management customers and related deposit volume steadily increased, and the Bank's cross-border cash pool business continued to lead the industry in terms of scale. The Bank actively promoted linkages between its domestic and overseas institutions, responded to enterprises' demands for overseas development services with integrated solutions, successfully held a number of major exhibitions and promotional activities to support RMB internationalisation, and further tapped into region-specific business opportunities arising from the Belt and Road initiative and the *Regional Comprehensive Economic Partnership* (RCEP). It worked to build a bridge connecting domestic and overseas exhibitors and buyers, while vigorously expanding into new customer segments in its cross-border RMB business. The Bank improved and optimised the payroll disbursement function of its overseas institutions, matching the pace of key "Going Global" enterprises, and enhanced its capabilities to provide payroll disbursement services overseas. The Bank actively played its role as the Chinese chair unit of the China-France Business Council and China-Italy Business Council, engaged in entrepreneur symposiums as part of the China-France High Level Economic and Financial Dialogue, and co-organised activities such as "Chinese and Italian Enterprises in Shanghai Lingang" and "China-France Business Council in Chongqing", vigorously driving foreign investors' participation in the process of Chinese modernisation.

Continuously improving the cross-border service quality of its investment banking business. The Bank assisted the MOF in issuing offshore RMB bonds in Hong Kong (China), with a total issuance amount of RMB37.5 billion. It also assisted overseas and domestic institutions in issuing offshore RMB bonds totalling over RMB70 billion, maintaining the leading market share in offshore RMB underwriting volume. Its underwriting volume for Chinese offshore bonds stood at USD2.303 billion, securing the top market share. The Bank underwrote the first Panda bond for an African multilateral development institution, underwrote the first scientific and technological innovation Panda bond, and assisted the Asian Development Bank, the New Development Bank BRICS and other overseas entities in issuing Panda bonds, recording a total underwriting volume of RMB21.664 billion and maintaining the leading market position for the 11th consecutive year. As a global coordinator, the Bank supported the MOF in pricing the first green offshore RMB sovereign bond in London, enhancing the appeal of offshore RMB as an investment currency and promoting the healthy development of the offshore RMB market. The Bank promoted the development of green finance, with its market share in overseas green bond underwriting ranking first among Chinese-funded institutions.

Vigorously facilitating cross-border economic and trade cooperation. Focusing on the cooperation needs of Chinese and overseas enterprises in areas such as economic trade, investment, technology, and markets, the Bank built "BOC E-Cooperation", a service platform that integrates matchmaking, investment promotion, and financial services. This platform serves as a cooperation channel for connecting SMEs worldwide, supports them in exchange and cooperation, and provides them with comprehensive financial services. In the first half of the year, the Bank held the "CIIE In Hubei" Bank of China Cross-border Business Matchmaking Sessions as well as a special event on financial support for private enterprises in the Yangtze River Economic Belt to pursue international expansion, and provided support for major international economic and trade events in China, accelerating the establishment of the new development paradigm. As at 30 June 2025, the Bank had held a total of 133 matchmaking events worldwide, attracting over 50,000 enterprises from more than 140 countries and regions.

Giving full play to the advantages of its global institutional network coverage. The Bank fostered comprehensive cooperation with various types of financial institutions in areas such as clearing, settlement, lending, investment, custody, treasury operations and comprehensive capital market services. As a result, it further expanded its customer base. Moreover, the Bank made full use of its international partnership network, drew on advanced global expertise and deepened peer communication and cooperation mechanisms to continually strengthen its participation in ESG-related fields worldwide. Responding in a more agile and forward-looking manner to market fluctuations, the Bank provided market advice to overseas institutional customers, resulting in steady growth in its overseas institutional investor customer base.

Continuously advancing the construction of overseas syndication centres. The Bank enhanced the professional capabilities of its three major overseas syndication centres in Europe-Africa, Asia-Pacific and America in terms of product operations, further improved the construction of product underwriting and distribution channels, increased the efficiency of its intensive management, and provided professional empowerment to global branches based on local conditions. It closely followed changes in regional markets, dynamically adjusted its business strategies and fully leveraged the synergistic advantages of its global network to drive the development of its overseas loan business. As at 30 June 2025, it retained first place among Chinese-funded institutions in the syndicated loan markets of Asia-Pacific, Europe-Africa and America, with the balance of overseas syndicated loans increasing by 3.64% compared with the prior year-end.

Personal Banking

Leveraging its advantages in globalised operations, the Bank continually enriched its overseas personal banking products, providing customers with a full spectrum of services including account management, savings, payment and settlement and electronic banking. As at 30 June 2025, the Bank had established an overseas personal banking presence in over 30 countries and regions, serving over 8 million customers and recording consistent growth in customer base.

Providing high-quality debit card, loan and wealth value management services. The Bank expanded its overseas debit card business by offering a wide range of products through clearing channels connected to multiple major international card organisations, providing services in 19 countries and regions overseas. It continued to improve its refined management capabilities to promote the differentiated development of its overseas personal loan business. To meet customers' wealth management needs, the Bank provided wealth management and private banking services in Hong Kong (China), Macao (China), Singapore and other countries and regions.

Consolidating the competitiveness of cross-border credit card payment brands. The Bank launched a Mastercard dual-application credit card product system, enabling transactions across both domestic and international online and offline channels, creating a consumption model where customers can use a single card both at home and abroad. It introduced a technical upgrade for VISA and UnionPay dual-branded credit cards, moving from a magnetic strip to a chip-based technology, to enhance the security of overseas card use. Additionally, the Bank upgraded the welcome benefits for new cross-border customers and provided comprehensive bank card services for customers who travel abroad. The Bank has established a systematic marketing campaign under the theme of "Global Wonderful", covering all customers, target groups, key products and popular countries, and highlighting the characteristics of its cross-border business. The Bank deepened cooperation with international card organisations, refined the management of cross-border customer groups with a focus on customer segments such as students studying abroad, long-term residents, and outbound tourists, and improved customers' cross-border journey experience. It used precision marketing to share timely and relevant promotional information and carried out coordinated online and offline marketing campaigns during peak cross-border travel periods. The Bank continued to leverage its experience in foreign card services for international events and exhibitions. It successfully provided support and guarantee services for the 9th Asian Winter Games and the 137th Canton Fair, thus contributing to high-level opening-up.

Constantly improving its Cross-boundary Wealth Management Connect services. The Bank launched a new Southbound scheme feature that supports subscriptions in both Hong Kong (China) and Macao (China), sharpening its products' competitive advantages and improving customer experience. As at 30 June 2025, the Bank recorded approximately 68.3 thousand subscribers under the Northbound and Southbound schemes of Cross-boundary Wealth Management Connect, remaining the market leader.

Diligently promoting the departure tax refund service. A centralised immediate refund service was promoted in Beijing and Shanghai, while an "immediate refund on purchase" service was introduced in Shandong, Anhui, Shaanxi, Ningxia, Tianjin and Guangxi. In addition, a cross-provincial connect model for "immediate refund on purchase" was successfully launched in Beijing and Tianjin.

Continuously improving online service channels. The Bank introduced online application features that allow for the seamless alignment of online applications and offline processing. This effectively improved the business processing efficiency and reduced the waiting time for customers. To serve domestic "Going Global" enterprises, the Bank promoted its online RMB salary remittance service to meet enterprises' payroll service needs. The SoftToken authentication tool was widely promoted to make online payments more convenient while meeting payment security requirements. As at 30 June 2025, the BOC Mobile Banking app (International Version) was available in 12 languages across 31 countries and regions, maintaining its leading edge over Chinese peers.

Financial Markets Business

Upholding the principle of centralised management and integrated operations, the Bank adopted a globalised and integrated operation mode, actively anticipated changes in international financial markets, and delivered robust overseas financial market services.

Balancing development and security in its investment business. The Bank enhanced international market analysis and portfolio strategy research, capitalised on periodic highs in overseas interest rates, scaled up the bond investment business of its overseas institutions and strengthened its management of investment portfolio scale and duration, leading to a steady increase in both the scale and profitability of its overseas institutions' investment business. The Bank performed bond investment access and post-investment management, and constantly strengthened the level of risk prevention and control.

Taking full advantage of its globalised and integrated trading operations. Through its operations in Beijing, Shanghai, Hong Kong (China), London and New York, the Bank provided a 5x24 round-the-clock quotation and trading services network to meet the needs of clients in different time zones. It established financial market product systems covering exchange rates, interest rates, precious metals and commodities. The Bank's overseas trading centres continued to strengthen sales coverage for overseas institutions so as to complement the onshore market, enhancing its differentiated service levels and the competitiveness of its quotations. The Bank deeply participated in the international market, actively engaged in the innovation of the offshore RMB market and mutual market access schemes, supported the development of Hong Kong (China) as an international financial centre, promoted RMB internationalisation in a prudent, solid and robust manner, and served the establishment of a new development pattern and high-level opening-up. Its overseas institutions constantly cultivated their presence in local markets, deepened the regional linkage mechanism, collaborated to consolidate their customer bases, improved customer service capabilities, and actively carried out RMB market-making quotation and RMB futures business in Singapore, South Korea and other countries and regions.

Comprehensively enhancing its global custody service capabilities. The Bank leads its Chinese peers in global asset custody services. Its global custody assets amounted to RMB4.7 trillion, with a custody network covering over 100 countries and regions, providing global investors with multi-currency, multi-market and multi-asset custody services. The Bank continued to sharpen its competitive edge in cross-border custody. Its cross-border AUC continued to lead its Chinese peers, achieving a further increase in market share. By facilitating the expansion of the Southbound Bond Connect programme and providing hundreds of foreign institutions, including several well-known sovereign investors, with CIBM/QFI custody services, the Bank effectively promoted the high-level two-way opening-up of China's capital markets.

Cross-border RMB Clearing Business

The Bank further consolidated its leading edge in cross-border RMB payments. It continually supported the global coverage expansion of CIPS and continued to rank first in the number of CIPS direct participant and indirect participant relationships. The Bank accounted for 16 of the world's 35 RMB clearing banks authorised by the PBOC, continuing to lead its peers. In the first half of 2025, the Group's cross-border RMB clearing transactions totalled RMB560.67 trillion, maintaining its leading global position.

BOCHK

As a Hong Kong-listed bank controlled by the Bank, BOCHK capitalised on the Group's globalised advantages and comprehensive features to cultivate the Hong Kong market, actively tapped into cross-border business opportunities, and pushed forward business development in Southeast Asia. It advanced green finance, bolstered digital empowerment and made every effort to improve development quality. As at 30 June 2025, BOCHK's issued share capital was HKD52.864 billion. Its total assets amounted to HKD4,399.822 billion and net assets reached HKD351.054 billion. In the first half of 2025, its profit for the period was HKD22.796 billion.

BOCHK integrated ESG elements and adhered to the concept of sustainable development. Playing an active role in advancing the nation's "dual carbon" projects, BOCHK provided its corporate customers with professional and green financial services to support their green and sustainable development. It acted as joint lead manager on the issuance of social responsibility bonds by an affiliate of a supranational institution and participated in major issues of infrastructure bonds and green bonds denominated in multiple currencies, including CNH and HKD, by the HKSAR Government, giving full play to its pivotal role in Hong Kong's local bond market. It provided a sustainability-linked loan to a major manufacturer of display panels in the Greater Bay Area to support the industry's green and low-carbon transition. In deepening its regional green and inclusive finance business, BOCHK arranged a green loan for a large corporate in Indonesia, encouraging customers to support new energy transportation and reduce greenhouse gas emissions. It arranged a social responsibility loan to a leading micro-finance provider in Thailand, supporting designated groups and small businesses to receive credit resources and financial services. BOCHK also actively promoted green finance business development for personal customers and further enriched its range of sustainable investment products, supporting its customers to work alongside it to implement sustainable development concepts with BOCHK. In addition, it solidified its "Three Lines of Defence" mechanism for managing greenwashing risk and implemented its own green and sustainable finance taxonomy. It remained committed to implementing its operational carbon neutrality targets and achieving its goal of carbon-neutral operations by 2030 in an orderly manner.

BOCHK cultivated the Hong Kong market and enhanced its comprehensive financial services capabilities. BOCHK steadily developed its corporate banking services. It leveraged collaborative mechanisms across its integrated business platforms to provide professional financial solutions for corporate customers. By addressing corporate customers' financing and business development needs, it led the market in initial public offerings (IPO) main receiving bank business in terms of total funds raised on the Main Board of Hong Kong Exchanges and Clearing Limited, maintained its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market, and underwrote a number of bond issues with significant market influence in the first half of 2025. It advanced the development of its key businesses, including payment and settlement as well as cash management services, and consolidated its leading market position in the cash pooling business. It promoted the development of inclusive finance by implementing several supporting measures for SMEs launched jointly by the Hong Kong Monetary Authority (HKMA) and the banking sector, with the aim of offering more support for more SMEs a wider range of support for their financing, transformation and upgrading needs. Meanwhile, BOCHK also enhanced the growth and quality of its personal banking services by enriching wealth management products and services for different customer segments. It actively developed its premium "Private Wealth" brand. In response to high-end customers' focus on wealth inheritance and appreciation, BOCHK provided "Private Wealth" customers with exclusive inheritance plans and continued to expand the number of its Private Wealth Centres. To reinforce its superior family financial management brand, it launched the brand-new FamilyMAX "Legacy of Love" plan to attract high-end families to open accounts and increase product penetration. Through its "Banking can be TrendyToo" brand, which targets the young customer segment, it continued to provide accessible financial knowledge, entry-level products and exclusive offers, and promoted financial and anti-fraud education to young audiences. It also met market demands to improve its products and services while launching matrix marketing and expediting a system upgrade, thus achieving stable growth in consumer finance businesses such as credit cards, BoC Pay+ and BoC Bill. As at the end of June 2025, it recorded steady growth in customer deposits and loans while maintaining its non-performing loan ratio at below the market average.

BOCHK captured opportunities from cross-border businesses and promoted the rapid financial development of the Greater Bay Area. BOCHK strengthened internal and external collaboration and actively engaged in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, providing financial services that allow corporate customers to access global expertise from any point of contact. It made significant contributions to the field of technology finance by establishing a range of full lifecycle, integrated financial service solutions for technology enterprises, thus empowering their high-quality development. BOCHK introduced a new brand targeting China's "Going Global" enterprises, reinforcing its position as the partner bank of choice for such enterprises, and consolidating its market leadership in serving their cross-border financial needs. Capitalising on its advantages in cross-border personal banking services by taking the New Capital Investment Entrant Scheme and various quality migrant admission schemes launched by the HKSAR Government as entry points, it provided comprehensive and professional financial services to high-end individuals relocating to Hong Kong. It also enriched its cross-border wealth management product suite and launched more qualified investment products to help customers capture cross-border wealth management opportunities, with the cumulative number of accounts opened and the volume of funds remitted or transferred under Southbound and Northbound services ranking among the top tier in the Hong Kong market. Serving as the sole settlement bank for Payment Connect, BOCHK provided banks in the Chinese mainland and Hong Kong with bilateral cross-boundary fund settlement services in RMB and HKD, thus enhancing cross-boundary payment convenience. It actively participated in the construction of the offshore RMB market by introducing innovative financial products and services. It promoted repo transactions collateralised by offshore RMB-denominated debt securities under Northbound Bond Connect in the Hong Kong market, enhancing interconnectivity between the Chinese mainland and Hong Kong financial markets, thus promoting RMB internationalisation in a prudent and steady manner.

BOCHK leveraged its regional synergies to coordinate the development of its global businesses. BOCHK optimised its regional management in Southeast Asia and remained focused on integrated regional development, while adopting the organic combination of market-by-market strategies as the template for a differentiated management approach across its regional entities, to steadily promote the synergistic development of its regional businesses. It refined its regional product offerings, and expanded businesses related to the development of Belt and Road and "Going Global" projects as well as large corporate customers in the region, and optimised the service capabilities of its intelligent Global Transaction Banking (iGTB) platform. It capitalised on the regional brand advantages of its Wealth Management platform to continuously enrich its wealth management products, meeting personal customers' needs for diversified financial services. BOCHK also accelerated its regional digitalisation efforts and optimised the features of its digital platforms by improving the functionality of local real-time payments, cross-border payments, QR code interconnectivity and RMB salary direct remittance services, thus enhancing personal customers' mobile banking experience. To promote regional financial cooperation and development, BOCHK collaborated with Bank of China (Malaysia) Berhad and was approved by Bank Negara Malaysia as an Appointed Overseas Office to handle transactions and settlement in Malaysian Ringgit, which helps customers to reduce cross-border transaction costs.

BOCHK bolstered digital empowerment for business transformation and continued to enhance the quality of its data governance. BOCHK continued to refine its work mechanisms and workflows. It promoted the integration of business and technology through data, business intelligence and ecological approaches, with the aim of providing both customers and staff with high-quality digital services and experiences. It developed open and scenario-based financial service ecosystems. It launched a new version of BoC Pay+, a one-stop financial platform featuring the full integration of payment, credit card management and reward services. It promoted product and service suite integration. Through the HKMA's Interbank Account Data Sharing (IADS) programme, it provided a streamlined application process for unsecured personal loans, personal credit cards and corporate loans, which has expedited credit approvals and enhanced operational convenience. To provide customers with a seamless process experience, BOCHK leveraged technologies, including AI and biometrics, to enhance business process efficiency and customer experience. It promoted intelligent internal management by creating a digital transformation metrics management platform to visualise key digital metrics. It pushed forward the development of intelligent operations through process digitalisation, internal operational automation and operational centralisation, in order to mitigate operational risks caused by manual handling and improve operational efficiency and capacity. In addition, BOCHK enhanced its talent cultivation and management mechanism to cultivate a high-quality talent team, thus laying a solid foundation for its long-term development.

(Please refer to the interim report of BOCHK for a full review of BOCHK's business performance and related information.)

Comprehensive Operation

As the first major commercial bank in the Chinese mainland to develop comprehensive operations, the Bank engages in such fields as investment banking, asset management, insurance, direct investment, leasing and consumer finance. With a focus on serving the real economy, the Bank pursued progress in the "Five Major Tasks". Giving full play to its traditional business strengths, it advanced the high-quality development of its comprehensive operation companies.

In the first half of 2025, the Bank further improved the Group's coordination mechanisms and consolidated its regional coordination platform for comprehensive operations. It identified the development priorities of collaborative business for comprehensive operation companies, and carried out a series of matchmaking activities. It continued to improve the management and control system for its comprehensive operations, developed differentiated development strategies for its comprehensive operation companies, and enhanced the quality and efficiency of Group-wide management. It standardised the corporate governance of its comprehensive operation companies, strengthened performance management of the directors assigned to them, and improved the quality and efficiency of corporate governance.

Investment Banking Business

BOCI

The Bank is engaged in investment banking business through BOCI. As at 30 June 2025, BOCI had issued share capital of HKD3.539 billion, total assets of HKD72.517 billion and net assets of HKD24.207 billion. BOCI realised a profit for the period of HKD964 million.

As an overseas investment banking platform based in Hong Kong (China), BOCI serves the investment banking business needs of the Group's "Going Global" and "Bringing In" clients. BOCI continuously consolidated its competitiveness and market position in Hong Kong. It focused on serving key areas such as technology finance and green finance to enhance the quality and efficiency of its support for the real economy. By providing professional and diversified investment banking services, BOCI ranked third and sixth respectively for the number and total volume of underwritings in the Hong Kong IPO market, and also helped the Bank maintain a leading position among Hong Kong peers in terms of the bond underwriting scale. BOCI actively explored innovative products and committed to expanding its Bond Connect Northbound business mechanism, driving RMB internationalisation. It accelerated the transformation of a traditional brokerage business into a wealth management business, and continued to enhance sales and marketing as well as the account opening experience for high-net-worth clients. The number of wealth management clients increased by approximately 2.4% compared to the end of last year. Constructing an exclusive Employee Stock Ownership Plan (ESOP) platform, BOCI provided professional services to around 140,000 employees of nearly 84 companies, managing various options with a total value of approximately HKD130.0 billion. BOCI continued to enhance its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOCI, ranked fifth and second respectively in the Hong Kong Mandatory Provident Fund (MPF) and Macao Pension Fund markets. It also strengthened its research capabilities, helping the domestic real economy connect with overseas capital. BOCI placed first in global economic forecasting in the 24th "Vision Cup" macroeconomic forecasting award held by *Weekly on Stocks*.

BOCI China

BOCI China is engaged in securities-related business in the Chinese mainland. As at 30 June 2025, the registered capital of BOCI China was RMB2.778 billion.

BOCI China deepened its advantages in "investment banking + commercial banking", "investment banking + equity investment" and "domestic + overseas" through technological empowerment, continued to promote business transformation, and focused on the technology finance sector to explore a differentiated development path. It empowered new quality productive forces by increasing the supply of patient capital, and continued to accelerate the implementation of the BOC Sci-Tech Innovation Master Fund as the initiating entity and manager. In the first half of 2025, BOCI China ranked sixth in equity underwriting and 14th in IPO underwriting in the industry. Actively responding to regulatory guidance, BOCI China pursued new M&A business, ranked fifth in M&A deal volume within the industry, and implemented the Guotai Juan and Haitong Securities merger. It was included in the first batch of Sci-Tech Innovation Bond issuers on exchanges, pioneering China's first county-level SME Sci-Tech Bond and the Group's inaugural ABS supporting the high-quality development of private enterprises. BOCI China devoted efforts to strengthening the proactive management capabilities of its asset management business and continued to improve its customer service capabilities. It belonged to the top tier of the industry in terms of total asset management scale and ranked second among the securities industry in terms of scale of non-money-market mutual funds. Focusing on the wealth management needs of personal customers, BOCI China developed a customer-centric product system, refined its comprehensive service process for wealth management, and improved its investment advisory service capability.

(Please refer to the interim report of BOCI China for a full review of its business performance and related information.)

Asset Management Business

BOCIM

The Bank is engaged in fund management business in the Chinese mainland through BOCIM. As at 30 June 2025, BOCIM had registered capital of RMB100 million, total assets of RMB7.256 billion and net assets of RMB5.958 billion. In the first half of 2025, BOCIM realised a profit for the period of RMB420 million.

BOCIM actively seized opportunities arising from the entry of medium and long-term capital to the market, and fully implemented the requirements of the *Action Plan for Promoting High-quality Development of Mutual Funds*. BOCIM's asset management business continued to expand steadily, its internal control mechanism and risk management system remained solid and effective, and its brand influence and market reputation continued to improve. BOCIM successfully issued the first central enterprise warehousing and logistics infrastructure REITs "BOC Sinotrans Warehousing and Logistics Closed End Infrastructure Securities Investment Fund", actively serving the real economy and revitalising existing assets. Adhering to a customer-centric approach, BOCIM continuously strengthened the construction of its core investment research capabilities, helping investors preserve and increase their asset value. As at 30 June 2025, BOCIM's AUM stood at RMB745.945 billion. Specifically, its publicly-offered funds reached RMB676.618 billion and its publicly-offered funds excluding money market funds reached RMB317.612 billion.

BOC Wealth Management

The Bank is engaged in wealth management business in the Chinese mainland through BOC Wealth Management. BOC Wealth Management's business includes the issuance of publicly offered wealth management products, the issuance of privately offered wealth management products, wealth management advisory and consulting services, and other asset management-related business. As at 30 June 2025, BOC Wealth Management had a registered capital of RMB10.000 billion, total assets of RMB21.015 billion and net assets of RMB20.176 billion. In the first half of 2025, BOC Wealth Management realised a profit for the period of RMB1.358 billion.

BOC Wealth Management continuously promoted the high-quality development of its wealth management business. It established an investment research system for serving the real economy, enhanced its integrated investment research capabilities, and built up its multi-strategy and multi-asset allocation capabilities. Firmly committed to serving the people's diverse financial needs, it continued to enrich its wealth management product shelf system, which comprises themed products with cross-border products serving as a key feature alongside green finance, inclusive finance and pension finance products, in a bid to provide investors with diversified products and services. Furthermore, consistent efforts were made to improve the quality and efficiency of customer acquisition, consolidate its customer base, expand sales channels and build up its customer service capabilities. Taking the construction of the General Platform for Asset Management as the key driver and workplace safety as the fundamental principle, BOC Wealth Management promoted technological empowerment and accelerated the digital transformation process. In addition, it strengthened its comprehensive risk management system, adopted "bottom line" thinking and firmly guarded against risks. As at 30 June 2025, BOC Wealth Management's AUM reached RMB1,858.191 billion.

Insurance

BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong (China) through BOCG Insurance. As at 30 June 2025, BOCG Insurance had an issued share capital of HKD3.749 billion, total assets of HKD10.603 billion and net assets of HKD5.243 billion. In the first half of 2025, BOCG Insurance recorded insurance revenue of HKD1.289 billion and a profit for the period of HKD247 million.

BOCG Insurance helped to consolidate and enhance Hong Kong's position as an international financial centre, and remained committed to international, market-oriented, standardised and digital operations. Focusing on the "Five Major Tasks", BOCG Insurance comprehensively aligned with leading international peers and market benchmarks to solidly implement its insurance strategy and business coordination mechanism and advance product development and service upgrading. It leveraged its insurance expertise to meet the overseas insurance needs of the Group's customers. Based on the Group's integrated platform, BOCG Insurance expanded its customer base through multiple channels. It promoted market connectivity in the Guangdong-Hong Kong-Macao Greater Bay Area, recording breakthroughs in cross-border insurance services. Focusing on the development of new quality productive forces, it promoted in-depth digital transformation to accelerate process optimisation and enhance product innovation, thereby improving the consumer experience. Embracing ESG strategies, BOCG Insurance promoted green office practices and supported green finance initiatives. It maintained an appropriate balance between development and security, effectively prevented and defused financial risks, and firmly safeguarded the "bottom line" of regulatory compliance.

BOC Life

The Bank is engaged in life insurance business in Hong Kong (China) through BOC Life. As at 30 June 2025, BOC Life's issued share capital was HKD3.538 billion. Its total assets amounted to HKD219.547 billion and net assets amounted to HKD7.528 billion. In the first half of 2025, its profit for the period was HKD1.045 billion.

Leveraging the seamless, synergistic and unique advantages of its partnership with BOCHK, BOC Life continued to collaborate with BOCHK's personal banking segment's high-end customer brand of "Private Wealth" and "Wealth Management", as well as its private banking and corporate banking segment. It optimised its product strategies, targeting different channels and customer segments while focusing on high new business value products, so as to continuously uplift its value creation capacity. It deepened collaboration with brokerage firms with premier banking and high-end private banking backgrounds, as well as actively recruiting agents with Chinese mainland experience. These efforts supported the development of a high-quality insurance agent workforce with the aim of acquiring high-end and cross-border clients. It continued to build an elderly care ecosystem by collaborating with BOCHK and leveraging its strengths in "banking + insurance" to advance its global strategic footprint in sojourn planning and promote the development of cross-border pension finance services. It enhanced its "RetireCation" experience programme through collaboration with BOCHK's BoC Pay+ and credit card services, and BOCG Insurance, offering members a one-stop cross-border payment experience and protection to enhance its retirement service offerings. Committed to addressing cross-border livelihood pain points in the development of healthcare solutions in the Greater Bay Area, it focused on developing pension services and enriched cross-border healthcare service options. It signed a strategic cooperation agreement with an integrated medical group in Hong Kong to jointly deliver high-quality cross-border integrated solutions for "insurance + healthcare", enhancing the high-quality development of healthcare integration and interconnectivity in the Greater Bay Area.

BOC Insurance

The Bank is engaged in property insurance business in the Chinese mainland through BOC Insurance. As at 30 June 2025, BOC Insurance had registered capital of RMB4.535 billion, total assets of RMB13.087 billion and net assets of RMB5.535 billion. In the first half of 2025, it realised insurance revenue of RMB3.123 billion and a profit for the period of RMB205 million.

BOC Insurance adhered to compliant operations and high-quality development, helping the insurance industry to fulfil its role as a "shock absorber" for economy and a "stabiliser" for society. It served the nation's overall development and deepened the implementation of the "Five Major Tasks". Focusing on strategic priorities including new quality productive forces and coordinated regional development, it increased the supply of insurance services and enhanced its risk management and protection capabilities. BOC Insurance actively implemented the Group's development strategy, deepened synergies with commercial banking, highlighted characteristic bancassurance products, and improved the functions and value of property insurance within comprehensive financial services. Based on specialised and characteristic operations, BOC Insurance made persistent efforts in overseas insurance and credit insurance. In the first half of 2025, it offered insurance coverage of RMB136.2 billion for 202 overseas projects, maintained the largest market share in customs bond insurance. It dynamically improved its comprehensive risk management system and continuously intensified risk control and operational compliance. It stepped up social responsibility disclosure and publicity, and took concrete actions to fulfil its responsibility as an insurance enterprise, striving to be recognised as a trustworthy property insurance company. In the first half of 2025, it provided insurance coverage of RMB38 trillion, processed 940,000 claims, and paid out over RMB1.7 billion in insurance indemnities. BOC Insurance maintained an "A-" credit rating and a "stable" outlook from Standard & Poor's for the 11th consecutive year.

BOC-Samsung Life

The Bank is engaged in life insurance business in the Chinese mainland through BOC-Samsung Life. As at 30 June 2025, BOC-Samsung Life had registered capital of RMB2.467 billion and total assets of RMB143.469 billion. In the first half of 2025, BOC-Samsung Life recorded gross written premiums and premium deposits of RMB19.431 billion and a profit for the period of RMB450 million.

BOC-Samsung Life made great efforts to improve the accessibility and convenience of its services and strengthen consumer rights protection, and continuously improved the quality and efficiency of its operating services. The timeliness of its new policy underwriting process has been steadily improved and now ranks among the top in the industry. Claim settlement services have become more convenient, and the surrender rate has declined. BOC-Samsung Life continued to enrich and improve its product lineup, increased the supply of commercial insurance annuities and health care products, and launched featured products such as "BOC Tianli Annuity Insurance", "BOC Zhenxiang Ruiying Annuity Insurance" and "BOC Kanghu Wuyou Life-long Care Insurance". Committed to the principle that finance should serve the real economy, it invested RMB8.372 billion in green finance and technology finance. It advanced digital transformation to continuously empower its business operations, steadily enhancing its independent technological capabilities. As a result, the digitalisation of operations and automation of processes have been constantly improved, initial results have been achieved in the application of large models, and application scenarios have been steadily implemented and deepened. BOC-Samsung Life was rated 2A in the regulatory evaluation for consumer rights protection for the third consecutive year.

Investment Business

BOCG Investment

The Bank is engaged in overseas direct investment and investment management business through BOCG Investment. BOCG Investment's business scope includes private equity investment, fund investment and management, and real estate investment and management. As at 30 June 2025, BOCG Investment had issued share capital of HKD34.052 billion, total assets of HKD136.524 billion and net assets of HKD76.389 billion. In the first half of 2025, BOCG Investment recorded a profit for the period of HKD812 million.

BOCG Investment continued to deepen comprehensive reform and transform its growth model, accelerating its strategic transformation towards "placing equal emphasis on financing and intelligence" and "placing equal emphasis on investment and management". It continuously optimised its investment layout, with a focus on advancing the reserve of technology innovation projects and the development of technology innovation fund platforms in Hong Kong. Efforts were also made to steadily expand the scale of overseas investments under the "Going Global", "Bringing In" and Belt and Road initiatives. It explored the application of fund management licenses to promote its transformation towards asset-light operations. Furthermore, BOCG Investment proactively integrated into the Group's service solution packages, strengthened business collaboration with institutions in Hong Kong, and provided comprehensive financial services. In addition, it continuously refined its risk policy system, consolidated its post-investment management mechanism, and comprehensively enhanced its risk management capabilities.

BOC Asset Investment

The Bank is engaged in debt-for-equity swap and equity investment business in the Chinese mainland through BOC Asset Investment. As at 30 June 2025, BOC Asset Investment had registered capital of RMB14.500 billion, total assets of RMB94.917 billion and net assets of RMB27.679 billion. In the first half of 2025, BOC Asset Investment realised a profit for the period of RMB819 million.

BOC Asset Investment conducted debt-for-equity swap and equity investment business in support of the high-quality development of the real economy. Adhering to the "Five Major Tasks", it implemented projects in the technology finance and green finance sectors, among others, to advance the construction of a modern industrial system. Steadily advancing its equity investment business, BOC Asset Investment established 15 private equity investment funds and invested projects in emerging industries such as commercial aerospace and AI. As at 30 June 2025, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB259.591 billion.

Leasing Business

BOC Aviation

BOC Aviation is engaged in the aircraft leasing business. It is one of the world's leading aircraft operating leasing companies and is the largest aircraft operating leasing company headquartered in Asia, as measured by value of aircraft assets. As at 30 June 2025, BOC Aviation had issued share capital of USD1.158 billion, total assets of USD25.569 billion and net assets of USD6.499 billion. In the first half of 2025, it achieved a profit for the period of USD342 million.

BOC Aviation continued to implement its proactive business strategy and steadily promoted its standing in the aircraft leasing industry, achieving sustainable growth. Actively supporting the Belt and Road initiative, it had leased around 50% of its aircraft to Belt and Road countries and regions as at 30 June 2025. Continuing to closely track customer demand, the Company took delivery of 24 new aircraft as it continued to expand its owned fleet in the first half of 2025. These aircraft were all delivered on long-term leases. BOC Aviation signed 43 leases for aircraft while steadily expanding its business. Its fleet is currently on lease to a total of 92 customers in 45 countries and regions. The Company consistently sought to optimise its asset structure and improve its sustainable development. It sold 18 owned aircraft during the first half of 2025, leaving it with an average owned fleet age of five years (weighted by net book value) as at 30 June 2025, one of the youngest aircraft portfolios in the aircraft leasing industry.

(Please refer to BOC Aviation's interim report for a full review of its business performance and related information.)

BOC Financial Leasing

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOC Financial Leasing. As at 30 June 2025, BOC Financial Leasing had registered capital of RMB10.800 billion, total assets of RMB80.555 billion and net assets of RMB12.348 billion. In the first half of 2025, BOC Financial Leasing realised a profit for the period of RMB232 million.

BOC Financial Leasing focused on its primary responsibilities and core businesses, continuously improved the quality and efficiency of its services, and fully committed to the high-quality development of the real economy. As at 30 June 2025, BOC Financial Leasing had conducted a total of RMB130.165 billion of leasing business, with the scale of its leasing assets in key industries, including smart transportation, renewable energy, advanced manufacturing and new materials, accounting for 89.77% of the total. It also served green mobility, new energy power generation, solid waste disposal, air quality management and other green industries, with green financial leasing accounting for 52.63% of total leasing assets. BOC Financial Leasing focused on supporting intelligent technology upgrades and equipment renewals and combined industry and finance to drive innovative development and empower new quality productive forces. BOC Financial Leasing also accelerated the expansion of its aviation and shipping business, and had a fleet of more than 20 aircraft and 40 ships, advancing the national cargo transport and shipbuilding sectors while meeting the needs of aviation and shipping customers with high-quality and efficient services.

Consumer Finance

BOC Consumer Finance

The Bank is engaged in consumer loan business in the Chinese mainland through BOC Consumer Finance. As at 30 June 2025, BOC Consumer Finance had registered capital of RMB1.514 billion, total assets of RMB81.703 billion and net assets of RMB9.250 billion. In the first half of 2025, it recorded a profit for the period of RMB150 million.

BOC Consumer Finance fully supported the expansion of domestic demand and consistently boosted consumption growth. It also accelerated the in-depth transformation of its business model and customer structure, enhanced the convenience and sustainability of its consumer finance services, and further increased the efficiency of boosting supply for consumption. As at 30 June 2025, its outstanding loans stood at RMB79.738 billion.

Service Channels

Online Channels

Capitalising on the potential of technological empowerment, the Bank vigorously expanded its online channels to rapidly develop its online businesses. In the first half of 2025, its e-channel transaction volume reached RMB177.27 trillion.

Diligently building a globally unified, intelligent and efficient online system for corporate customers, to comprehensively enhance customer experience and service efficiency. To meet the growing needs of corporate customers for higher efficiency, the Bank further optimised the features of domestic corporate online banking. It launched e-invoice services, "Shipping Express" by the Head Office, and core services for asset management product distribution, refined online foreign exchange settlement and sales services by introducing a foreign exchange services section, and continuously iterated and upgraded several basic frequently used services such as account inquiries. The Bank vigorously promoted its multi-version service system for domestic corporate mobile banking, launched a HarmonyOS version, enriched the features of characteristic sections such as cross-border finance and introduced a foreign exchange services section, with customer activity steadily growing. It advanced the development of overseas corporate online banking across the board, optimised the features of overseas corporate online banking based on the specific demands of local markets, and further implemented the characteristic functions of overseas institutions in regions such as Asia, Europe and Oceania, with its overseas corporate online banking platform covering 56 overseas countries and regions and offering services in 14 languages, thereby enhancing its capabilities to provide localised services. The Bank sped up the development of online scenario-based finance and corporate open banking, further promoted products such as "BOC Corporate Cloud Finance" and "BOC Corporate Cloud Direct Remittance", and continuously increased online transaction scale and customer stickiness, with its online transaction scale achieving a year-on-year growth.

Continuously upgrading its personal mobile banking and providing one-stop convenient financial services. The Bank optimised the basic functions and services of its personal mobile banking by launching cross-border Payment Connect features, supporting real-time remittance from the Chinese mainland to Hong Kong (China). A theme-setting centre was added to support personalised settings for the thematic skin of the mobile banking app. Video news was introduced, while the features of the HarmonyOS version of mobile banking were continuously expanded. Wealth management services were enriched by adding such features as unified risk assessment and query of assessment history. Processes were streamlined for time deposits, investment and wealth management, Cross-boundary Wealth Management Connect, foreign exchange trading, asset diagnosis and Wealth Shopping Cart. Inclusive financial services were improved by streamlining the service processes for consumer loans, housing loans, business loans and student loans. Exclusive customer services were upgraded by adding a module for pension financial services and optimising the "Beautiful Countryside" version of mobile banking. The Bank continuously improved the digital risk control and anti-phishing monitoring capabilities of its online channels, identifying and shutting down a total of 9,163 phishing websites and app download links in the first half of 2025. Its "Cyber Defence" smart risk control and prevention system monitored 4.848 billion online transactions, a year-on-year increase of 6.32%. As at 30 June 2025, the number of registered mobile banking customers reached 302.24 million, while monthly active users totalled 97.59 million, making mobile banking the Bank's most active trading channel.

Offline Channels

The Bank is committed to providing customers with high-quality, efficient and convenient offline channel services. It continually optimised outlet layout and supported and ensured resource input to key regions and county-level channels. Based on local conditions, it built featured outlets focused on technology finance, green finance, inclusive finance and pension finance, etc. It continuously enhanced the capability of its offline channels to serve key customer groups, key regions, and key businesses. The Bank improved outlets' intelligent services, further enriched the features of tablet-version smart counters, and added new functions such as over-the-counter opening of digital debit cards and issuance of authentication tools, facilitating the expansion of key products. Centring on customer needs, the Bank continuously optimised business processes such as account opening, activation, and limit adjustment, thereby improving service efficiency and experience. As at 30 June 2025, the Bank's commercial banking institutions in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) totalled 10,279. The number of other institutions in the Chinese mainland totalled 698, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 539.

Financial Technology Innovation

The Bank actively embraced the new wave of sci-tech revolution, accelerated the momentum of technology innovation, built a leading hub for fintech innovation, and strengthened the foundation of digital transformation to support the Group's high-quality development.

Comprehensively improving technological support capacity. The Bank steadily advanced the construction of 40 technological and strategic projects and optimised its application project management mechanism, resulting in an 11.13% year-on-year reduction in average project delivery time. It continued to promote the transformation of its technological architecture, with the total number of cloud platform servers reaching 40,000. The Bank continuously upgraded its basic technology platform. As at the end of June, 352 applications had been connected to its distributed technology platform, 186 applications to its front-end technology platform, and 174 applications to its big data technology platform.

Accelerating the application and promotion of technology innovation. The Bank continuously deepened the application of new technologies and released an AI application and promotion plan to expedite the deployment of AI technologies such as large models. It built a large model platform and deployed a series of models such as DeepSeek-R1 and Qwen3, empowering over 100 scenarios across marketing, customer service, operations, compliance, office working, and R&D. The Bank launched a remote banking customer service assistant that achieved over 90% accuracy in typical scenarios, delivering eight core functions including intelligent quality inspection, virtual coaching, and automated ticket summarising. Its intelligent marketing assistant helped frontline employees quickly identify target customer group labels, with a label adoption rate exceeding 95%. The Bank leveraged enterprise-level RPA to reduce the workload of primary-level institutions, which covered over 3,300 scenarios as at the end of June. Additionally, it enhanced its financial image-recognition capabilities, enabling the recognition of over 40 additional types of specialised bills and certificates. The Bank promoted the implementation of privacy computing technology across intra-group, interbank, and cross-industry scenarios, unlocking greater data value. It also applied behaviour recognition technology to strengthen the security and operational efficiency of its outlets.

Constantly reinforcing public infrastructure capabilities. The Bank improved its digital intelligent marketing platform, completed its initial rollout across the organisation, and supported various marketing campaigns. It sharpened tools for digital precision marketing and customer management, thereby improving customer reach and marketing service capabilities. New credit risk management components were developed and the credit risk monitoring and early-warning system was refined to further enhance the Bank's ability to detect and respond to financial risks. The Bank optimised intensive transaction processing and remote verification functions, and completed the centralised processing of 65 high-frequency transactions across five types of scenarios. Leveraging digital technologies, it enhanced its intelligent review capabilities and shortened processing time for individual transactions, thus delivering smarter and more efficient financial services. The Bank launched a one-click limit removal feature for fast payments and optimised the one-click card binding process, significantly increasing the success rate for card binding. It also integrated mobile banking with UnionPay services and expanded mobile banking application scenarios, which further improved the convenience of online payments for customers.

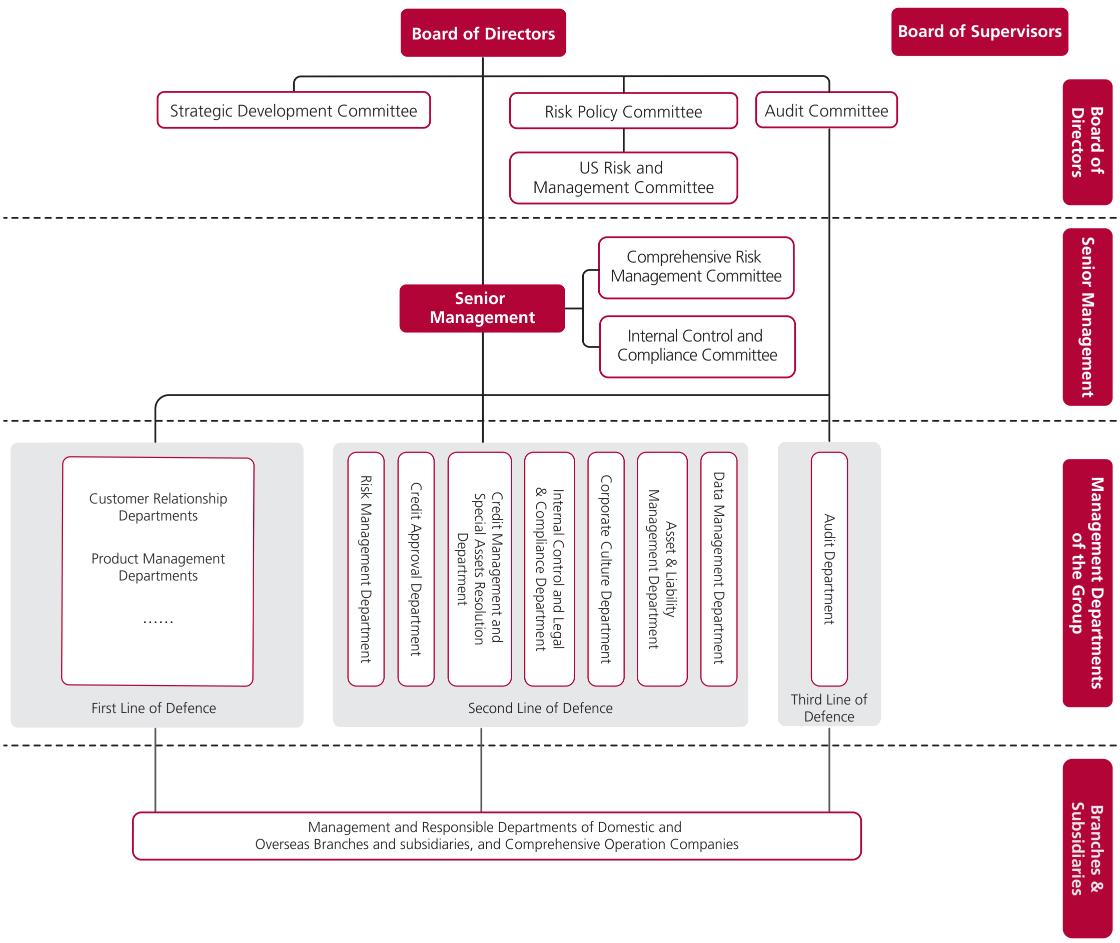
Continuously stimulating product innovation. Focusing on key areas such as technology finance and fast payment, the Bank launched new products, such as "Sci-Tech R&D Loan", "Tech Employee Stock Ownership Loan", and the "Hengqin-Macao Dual-Currency Acquiring Service", driving deeper integration between financial product innovation and support for the real economy. The Bank also deepened its open competition mechanism, concentrated efforts in strategic areas such as the "Five Major Tasks" and cross-border service enhancement, and promoted the deep integration of business, data and technology to fully unleash innovation potential. It vigorously advanced the replication and promotion of digital transformation achievements across branches, actively incubated outstanding new digital transformation outcomes, and adopted a pilot-to-scale approach for organisation-wide iteration and optimisation, thereby improving the quality and efficiency of Bank-wide digital operation and management.

Meanwhile, the Bank was engaged in financial technology innovation, software development, platform operation and technical consulting services through BOC Financial Technology. As the comprehensive service base, scenario-based ecosystem construction platform, innovation mechanism and unified output channel of the Group's technology system, BOC Financial Technology is deeply integrated into the Group's comprehensive service system to support the Group's digital financial development. It fully implemented market-by-market IT development plans for the Group's comprehensive operation companies and helped improve the Group's comprehensive technological support capacity. It deepened scenario-based ecosystem development and developed the key products such as Corporate Treasury, Corporate e-Manager, and Fuxing No. 1 Smart Party-building Platform to help improve its digital services offering for industrial customers. It deepened the application of innovative technologies and focused on building the "Quantum 1650" technology innovation platform. Furthermore, it focused on IFRS 17 (the new accounting standard for insurance contracts) and anti-money laundering products to continuously expand external cooperation, with the aim of providing mature, stable and highly professional system support to customers and expanding the Group's "finance + technology" brand influence.

Risk Management

The Bank has established a sound and effective organisational structure for risk management that comprises the Board of Directors, the Board of Supervisors, the Senior Management, risk management departments, business departments, and internal audit departments. The Board of Directors assumes the ultimate responsibility for comprehensive risk management, the Board of Supervisors assumes the responsibility for supervising comprehensive risk management, and the Senior Management assumes the responsibility for the implementation of comprehensive risk management. Adhering to the principles of "forward-looking, proactive, adaptive and applicable", the Bank continued to promote the development of its comprehensive risk management system, and consistently advanced closed-loop research and analysis and closed-loop emergency response to strengthen risk governance. It continuously strengthened its comprehensive risk management system for overseas institutions. The Bank actively mitigated risks in key areas such as real estate and local debt risks, and firmly defended the bottom line of zero occurrence of systemic financial risk. It thoroughly followed regulatory requirements and enhanced rectification accountability to ensure compliance in its operations. The Bank promoted the digital transformation of risk management by enhancing the precision and intelligence of its risk control system. The Bank steadily advanced the implementation of the *Capital Rules for Commercial Banks*, enhanced its management systems and business processes, strengthened its risk data governance, improved information systems, and comprehensively expanded its capacity for effective risk management.

The risk management framework of the Bank is set forth below:



Credit Risk Management

Credit risk refers to the risk of loss arising from the failure or unwillingness of a borrower or counterparty to fulfil its debt obligations, including default risk arising from a borrower's failure to repay its debt when it falls due and downgrading risk arising from a deterioration in a borrower's credit quality.

Closely monitoring changes in macroeconomic and financial conditions, the Bank pushed forward the optimisation of its credit structure, improved its credit risk management policies, strengthened credit asset quality management and took a more proactive and forward-looking stance on credit risk management.

Continuously optimising its credit structure in line with national strategies. Taking full account of national strategies, regulatory policy, the market environment and its own business characteristics, the Bank formulated industry guidelines for credit allocation and revised its policy for industry limit and concentration management. With a focus on expanding domestic demand, advancing the "Five Major Tasks", and promoting high-level opening-up, it continued to offer services for key developing areas, including government finance, infrastructure, technology finance, green finance, foreign trade and foreign investment, the new development pattern for real estate, the "Three Rural" sectors, regional coordination, people's livelihood, and consumption, among others. It supported the localised development of new quality productive forces and the construction of a modern industrial system.

Strengthening its unified credit granting management and further centralising its comprehensive credit risk management. The Bank continuously improved its long-acting credit management mechanism, optimised its control mechanism for credit concentration risk, and enhanced its "full coverage and penetration" asset quality screening and monitoring system. Furthermore, it improved the screening and monitoring of key risk areas and upgraded the effectiveness of potential risk identification, early warning, recognition and mitigation. The Bank refined supervision and guidance on asset quality control in key regions, and intensified efforts in the guidance, inspection and post-evaluation of its business lines. In addition, it constantly identified, measured and monitored large exposures in line with related large-exposure management requirements.

Balancing growth with stability to support high-quality development in its credit business. In corporate banking, the Bank actively expanded the coverage and increased the efficiency of its coordination mechanism for urban real estate financing to help the real estate market stop declining and recover. Aligning with the policy direction of placing equal emphasis on house rental and home ownership, it vigorously supported financing needs for rental housing development, purchase and operation, and promoted the establishment of the new pattern for real estate development. The Bank also actively supported the mitigation of local government related debt risks. In personal banking, the Bank reviewed its personal credit policies and product measures and adjusted its personal credit strategies to support the development of its personal credit business in line with regulatory requirements and emerging trends in developmental needs. It continuously developed its library of credit risk monitoring indicators, improved its risk monitoring and early warning mechanism at the portfolio level, and enhanced the control and mitigation of potential risks, to ensure that credit risk remains effectively under control.

Stepping up efforts to mitigate NPAs and preventing and resolving financial risks. The Bank promoted the refined management of NPA projects, conducting differentiated strategies and making breakthroughs in key areas so as to improve the quality and efficiency of NPA disposal. It expanded its NPA disposal channels, undertook further pilot projects for transferring non-performing loans and carried out the securitisation of non-performing bank cards and personal credit assets.

Accurately and reasonably assessing credit risk to truthfully reflect the quality of financial assets. In accordance with the requirements of the *Measures for Risk Classification of Financial Assets of Commercial Banks* and based on the degree of risk, the Bank classifies its financial assets into five categories: pass, special mention, substandard, doubtful and loss, with the last three categories collectively referred to as NPAs. For non-retail assets, risk classification is determined according to the Bank's evaluation of the level of risk involved, based on assessments of the customers' contract performance ability, financial position, willingness to repay and repayment records, financial assets' overdue days, risk mitigation status and the probability of default, among other factors. For retail assets, risk classification is determined by the days overdue method, alongside a comprehensive consideration based on qualitative and quantitative factors such as customers' contract performance ability, transaction characteristics and guarantee status, etc.

As at 30 June 2025, the Group's NPLs[3] totalled RMB284.656 billion, an increase of RMB15.875 billion compared with the prior year-end. The NPL ratio was 1.24%, a decrease of 0.01 percentage points compared with the prior year-end. The Group's allowance for impairment losses on loans and advances was RMB561.869 billion, an increase of RMB22.692 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 197.39%, a decrease of 3.21 percentage points compared with the prior year-end.

3 Total loans and advances to customers in the "Risk Management – Credit Risk Management" section are exclusive of accrued interest.

Five-category Loan and Advance to Customers Classification

Unit: RMB million, except percentages

Items	As at 30 June 2025		As at 31 December 2024	
	Amount	**% of total**	Amount	% of total
Group				
Pass	**22,391,152**	**97.32%**	20,958,343	97.28%
Special-mention	**330,498**	**1.44%**	316,461	1.47%
Substandard	**69,090**	**0.30%**	68,553	0.32%
Doubtful	**81,182**	**0.35%**	94,753	0.44%
Loss	**134,384**	**0.59%**	105,475	0.49%
Total	**23,006,306**	**100.00%**	21,543,585	100.00%
NPLs	**284,656**	**1.24%**	268,781	1.25%
Chinese mainland				
Pass	**19,400,183**	**97.56%**	18,041,271	97.53%
Special-mention	**250,924**	**1.26%**	240,645	1.30%
Substandard	**52,720**	**0.27%**	46,813	0.25%
Doubtful	**71,292**	**0.36%**	83,169	0.45%
Loss	**110,184**	**0.55%**	86,107	0.47%
Total	**19,885,303**	**100.00%**	18,498,005	100.00%
NPLs	**234,196**	**1.18%**	216,089	1.17%

Loan and Advance to Customers Migration Ratio of the Group

Unit: %

Items	**For the six-month period ended 30 June 2025 (annualised)**	2024	2023
Pass	**1.35**	1.06	1.20
Special-mention	**33.23**	21.62	26.41
Substandard	**86.10**	63.08	47.40
Doubtful	**90.94**	49.27	33.09

Distribution of Loans and Advances to Customers and NPLs by Customers' Industry

Unit: RMB million, except percentages

	As at 30 June 2025				As at 31 December 2024			
Items	Loans	% of total	NPLs	NPL ratio	Loans	% of total	NPLs	NPL ratio
Chinese mainland								
Corporate Loans and Advances								
Commerce and services	**3,764,743**	**16.36%**	**47,592**	**1.26%**	3,184,738	14.78%	43,274	1.36%
Manufacturing	**3,069,654**	**13.34%**	**26,851**	**0.87%**	2,732,283	12.68%	29,485	1.08%
Transportation, storage and postal services	**2,341,112**	**10.18%**	**5,739**	**0.25%**	2,227,840	10.34%	6,138	0.28%
Production and supply of electricity, heating, gas and water	**1,387,365**	**6.03%**	**10,474**	**0.75%**	1,272,285	5.91%	11,562	0.91%
Real estate	**1,015,895**	**4.42%**	**54,699**	**5.38%**	967,297	4.49%	47,799	4.94%
Financial services	**569,190**	**2.47%**	**2**	**0.00%**	538,497	2.50%	145	0.03%
Construction	**561,358**	**2.44%**	**7,021**	**1.25%**	493,051	2.29%	7,047	1.43%
Water conservancy, environment and public utility management	**488,928**	**2.13%**	**4,777**	**0.98%**	476,392	2.21%	5,258	1.10%
Mining	**282,847**	**1.23%**	**2,380**	**0.84%**	259,771	1.21%	2,401	0.92%
Public utilities	**235,422**	**1.02%**	**3,539**	**1.50%**	227,207	1.05%	2,904	1.28%
Others	**97,036**	**0.42%**	**1,266**	**1.30%**	86,948	0.40%	1,381	1.59%
Total	**13,813,550**	**60.04%**	**164,340**	**1.19%**	12,466,309	57.86%	157,394	1.26%
Personal loans								
Residential mortgages	**4,085,289**	**17.76%**	**30,288**	**0.74%**	4,089,266	18.98%	25,141	0.61%
Personal consumer loans	**452,680**	**1.97%**	**8,129**	**1.80%**	401,813	1.86%	6,419	1.60%
Personal business loans	**1,022,815**	**4.44%**	**21,590**	**2.11%**	947,214	4.40%	16,863	1.78%
Credit cards	**510,969**	**2.22%**	**9,849**	**1.93%**	593,403	2.76%	10,272	1.73%
Total	**6,071,753**	**26.39%**	**69,856**	**1.15%**	6,031,696	28.00%	58,695	0.97%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**3,121,003**	**13.57%**	**50,460**	**1.62%**	3,045,580	14.14%	52,692	1.73%
Total of the Group	**23,006,306**	**100.00%**	**284,656**	**1.24%**	21,543,585	100.00%	268,781	1.25%

The Bank continued to optimise its credit structure and stepped up efforts to support the real economy. As at 30 June 2025, loans and advances for the manufacturing industry totalled RMB3,069.654 billion, an increase of RMB337.371 billion or 12.35% compared with the prior year-end. Loans and advances for the production and supply of electricity, heating, gas and water totalled RMB1,387.365 billion, an increase of RMB115.080 billion or 9.05% compared with the prior year-end.

In accordance with *International Financial Reporting Standard No. 9 Financial Instruments*, the Bank assesses expected credit losses with forward-looking information and makes relevant allowances. In particular, it makes allowances for assets classified as Stage 1 and assets classified as Stage 2 and Stage 3 according to the expected credit losses over 12 months and the expected credit losses over the entire lifetime of the asset, respectively. As at 30 June 2025, the Group's Stage 1 loans and advances totalled RMB22,164.710 billion, accounting for 96.44% of total loans and advances; Stage 2 loans and advances totalled RMB533.982 billion, accounting for 2.32% of total loans and advances; and Stage 3 loans and advances totalled RMB284.656 billion, accounting for 1.24% of total loans and advances.

In the first half of 2025, the Group's impairment losses on loans stood at RMB64.931 billion, a decrease of RMB7.753 billion year-on-year. The credit cost was 0.58%, a decrease of 0.13 percentage points year-on-year. Please refer to Notes III.16 and IV.1 to the Condensed Consolidated Interim Financial Statements for detailed information regarding loan and advance classification, stage determination and advances and allowance for loan impairment losses.

The Bank continued to focus on controlling borrower concentration risk and was in full compliance with regulatory requirements on borrower concentration.

Unit: %

Indicators	**As at 30 June 2025**	As at 31 December 2024	As at 31 December 2023
Loan and advance concentration ratio of the largest single borrower	**2.5**	2.5	2.0
Loan and advance concentration ratio of the ten largest borrowers	**11.9**	12.7	13.0

Notes:

1 Loan and advance concentration ratio of the largest single borrower = total outstanding loans and advances to customers to the largest single borrower ÷ net capital.

2 Loan and advance concentration ratio of the ten largest borrowers = total outstanding loans and advances to customers to the ten largest borrowers ÷ net capital.

The following table shows the ten largest individual borrowers as at 30 June 2025.

Unit: RMB million, except percentages

	Industry	Related parties or not	Outstanding loans and advances	% of total loans and advances
Customer A	Transportation, storage and postal services	NO	94,870	0.41%
Customer B	Transportation, storage and postal services	NO	49,750	0.22%
Customer C	Financial services	NO	48,685	0.21%
Customer D	Transportation, storage and postal services	NO	42,916	0.19%
Customer E	Transportation, storage and postal services	NO	41,556	0.18%
Customer F	Transportation, storage and postal services	NO	38,862	0.17%
Customer G	Manufacturing	NO	36,693	0.16%
Customer H	Financial services	NO	35,216	0.15%
Customer I	Commerce and services	NO	32,383	0.14%
Customer J	Financial services	NO	32,027	0.14%

Market Risk Management

Market risk refers to the risk of loss in a bank's on-balance sheet and off-balance sheet business due to unfavourable changes in market prices (including interest rates, exchange rates, stock prices, and commodity prices).

The Bank actively responded to changes in the market environment and steadily controlled market risk. The objective of the Group's market risk management is to effectively manage market risk and improve market risk capital allocation in light of the overall risk appetite determined by the Board of Directors, thus controlling market risk within a reasonable level acceptable to the Bank and achieving a reasonable balance between risk and return.

Continuing to optimise its market risk management system and comprehensively improve the effectiveness of market risk management. The Bank improved its market risk management policies and systems, properly integrated quantitative and qualitative methods, and performed effective identification, measurement, assessment, monitoring, reporting, control and mitigation of market risk. It optimised its multi-layered market risk limit system to enhance management flexibility and effectively transmit market risk appetite. In response to a complex and severe external situation, it further strengthened its risk research and judgement capabilities. Adhering to "bottom line" thinking and considering worst-case scenarios, the Bank intensified its efforts in emergency drills and stress testing, and strengthened risk control in derivatives and other key areas. Please refer to Note IV.2 to the Condensed Consolidated Interim Financial Statements for more details regarding market risk.

Actively implementing regulatory requirements and improving the market risk management efficiency of the trading book. The Bank implemented the *Capital Rules for Commercial Banks* on market risk capital, measured regulatory capital for market risk in accordance with regulatory requirements, promoted the proper allocation of market risk capital, and deepened the organic integration of capital measurement with business and risk management. Approaching the implementation of the *Capital Rules for Commercial Banks* as an opportunity for improvement, the Bank consolidated the foundations of its data, model and system management, and enhanced its refined measurement and independent system development capabilities.

Reinforcing forward-looking market risk management and intensifying securities investment risk management. The Bank implemented its market risk limit system for bond investment. It bolstered early warning systems for bond market default risks, reinforced the tracking of bond yield trends, further enhanced its capacity for the look-through management of comprehensive operation companies' bond investments, and consolidated the asset quality of its bond investment business.

Achieving currency matching between fund source and application for the management of exchange rate risk. The Bank controlled its foreign exchange exposure through currency conversion, hedging and other methods, thus maintaining its exchange rate risk at a reasonable level.

Management of Interest Rate Risk in the Banking Book

Interest rate risk in the banking book refers to the risk of losses to the economic value and overall earnings of a bank's banking book arising from adverse movements in interest rate levels or term structures. Based on the principles of "matching, comprehensiveness and prudence", the Bank strengthened the management of interest rate risk in the banking book (IRRBB). The Bank's IRRBB management strategy is to control risks within an acceptable level by taking into account factors such as the Bank's risk appetite and risk profile as well as macroeconomic and market conditions, so as to achieve a reasonable balance between risk and return and thus maximise shareholder value.

The Bank closely monitored changes in the domestic and international economic situation, tracked market fluctuations, conducted timely risk inspections and stress testing, made timely adjustments to the structure of its assets and liabilities, optimised its internal and external pricing strategy or implemented risk hedging and strengthened branch management, thus controlling the Bank's IRRBB at a reasonable level.

Liquidity Risk Management

Liquidity risk refers to the risk that commercial banks cannot timely obtain sufficient funds at reasonable costs to pay due debts, fulfil other payment obligations and meet other funding needs for normal operations. Liquidity risk may arise from the following events or factors: materially adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, debtor default, mismatch between assets and liabilities, difficulties in asset realisation, weakened financing ability, operating losses, and risks associated with the Bank's affiliates.

The Bank endeavoured to develop a sound liquidity risk management system with the aim of effectively identifying, measuring, assessing, monitoring, reporting and controlling or mitigating liquidity risk at the institution and Group level, including that of branches, subsidiaries and business lines, thus ensuring that liquidity demand is met in a timely manner and at a reasonable cost.

The Bank established a sound governance structure of liquidity risk management. The Board of Directors of the Bank shall bear the ultimate responsibilities for liquidity risk management, examine and approve liquidity risk preference and liquidity risk management strategies. The Senior Management shall perform the implementation of the liquidity risk tolerance level and liquidity risk management strategies approved by the Board of Directors and carry out liquidity risk management. The Board of Supervisors shall supervise and evaluate the performance of the Board of Directors and Senior Management in liquidity risk management. The Asset and Liability Management Department of the Head Office shall lead the Group's liquidity risk management. Other functional departments of the Head Office and each institution shall cooperate with the completion of the funding arrangements made to ensure the overall liquidity security of the Group and assume their respective functions for liquidity risk management within the overall policy framework mentioned above. Each subsidiary shall undertake the duty of their own liquidity risk management. The Bank shall incorporate liquidity risk management into the scope of internal audit, and review and evaluate the sufficiency and effectiveness of liquidity risk management on a regular basis.

The Bank implemented a comprehensive liquidity risk management strategy. Adhering to the principle of appropriate balance of safety, liquidity and profitability, and following regulatory requirements, the Bank improved its liquidity risk management in a forward-looking and scientific manner. It enhanced liquidity risk management at the institution and Group level, including that of branches, subsidiaries and business lines. It formulated sound liquidity risk management policies and contingency plans, periodically re-examined liquidity risk limits, further upgraded the early warning system for liquidity risk, and strengthened the management of high-quality liquid assets in order to strike an appropriate balance between risk and return.

The Bank continually improved its liquidity stress-testing scheme. In addition to performing stress tests on a quarterly basis, stress tests are also carried out in response to changes in the macro environment. The test results indicated that the Bank had adequate payment ability to cope with distressed scenarios.

As at 30 June 2025, the Group's liquidity risk indicators met regulatory requirements. The Group's liquidity ratio and the loan-to-deposit ratio of the Bank's domestic operations (in accordance with the relevant provisions of regulatory authorities in the Chinese mainland) are shown in the table below:

Unit: %

Ratio		Regulatory standard	**As at 30 June 2025**	As at 31 December 2024	As at 31 December 2023
Liquidity ratio	RMB	≥25	**50.1**	55.4	55.0
	Foreign currency	≥25	**74.8**	79.0	70.2
Loan-to-deposit ratio	RMB and foreign currency	–	**89.2**	87.2	82.7

Liquidity gap analysis is one of the methods used by the Bank to assess liquidity risk. Liquidity gap results are periodically calculated, monitored and used for sensitivity analysis and stress testing. As at 30 June 2025, the Bank's liquidity gap was as follows (please refer to Note IV.3 to the Condensed Consolidated Interim Financial Statements):

Unit: RMB million

Items	As at 30 June 2025	As at 31 December 2024
Overdue/undated	**2,228,287**	2,225,135
On demand	**(11,061,402)**	(10,416,778)
Up to 1 month	**(1,443,720)**	(580,917)
1-3 months (inclusive)	**(1,189,672)**	(1,448,591)
3-12 months (inclusive)	**122,056**	(77,235)
1-5 years (inclusive)	**4,226,631**	3,517,738
Over 5 years	**10,243,485**	9,733,612
Total	**3,125,665**	2,952,964

Note: Liquidity gap = assets that mature in a certain period – liabilities that mature in the same period.

For detailed information regarding the liquidity coverage ratio and net stable funding ratio, please refer to the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2025*.

Operational Risk Management

Operational risk refers to the risk of losses resulting from problematic internal processes, employees and IT systems, or from external events, including legal risk, but excluding strategic risk and reputational risk.

The Bank implemented the *Measures for the Management of Operational Risk of Banking and Insurance Institutions* and continuously improved its operational risk management system. It promoted the application of operational risk management tools such as Risk and Control Assessment (RACA), Key Risk Indicators (KRI) and Loss Data Collection (LDC), etc., carried out the identification, assessment and monitoring of operational risks, further standardised its operational risk reporting mechanism, improved its risk management measures and steadily advanced the implementation of the *Capital Rules for Commercial Banks* for operational risk. The Bank enhanced its IT system support capabilities by optimising its operational risk management information system. It strengthened its business continuity management system, optimised its operating mechanism, enhanced its business continuity management policies, and performed business impact analysis. The Bank also refined contingency plans and carried out business continuity drills, thus improving the Group's business continuity capacity.

Country Risk Management

Country risk refers to the risk arising from political, economic and social changes and events in a particular country or region that result in the inability or refusal of a debtor in that country or region to repay debts to the Bank, or that inflict losses on the Bank's business in that country or region, or that cause other losses to the Bank. The Bank incorporates country risk management into its comprehensive risk management system in strict accordance with regulatory requirements. It manages and controls country risk through a range of management tools, including country risk ratings, country risk limits, statistics and monitoring of country risk exposures.

In the first half of 2025, the Bank actively addressed a complicated international political and economic situation, stepped up efforts in the monitoring and reporting of country risk, and strengthened the monitoring and early warning of limit implementation. As at 30 June 2025, country risk exposures were mainly concentrated in countries and regions with low and relatively low country risk, and the Group's overall country risk was controlled at a reasonable level.

Reputational Risk Management

Reputational risk refers to the risk of negative assessments or comments regarding the Bank being made by stakeholders, the public and/or the media as a result of its institutional behaviour, employee behaviour or external events, which damage its brand, affect its normal operations and/or disrupt market and social stability.

The Bank earnestly implemented regulatory requirements on reputational risk management and continued to enhance its reputational risk management mechanisms. It pressed ahead with the routine development and whole-process management of reputational risk, so as to enhance its reputational risk management capabilities. Placing great importance on prevention, the Bank intensified risk source control and governance and dealt appropriately with reputational risk events, thus effectively protecting its brand reputation. In addition, it stepped up reputational risk management training so as to enhance employees' risk prevention awareness and foster a strong culture of reputational risk management.

Strategic Risk Management

Strategic risk refers to the risk caused by the inappropriateness of commercial banks' business strategies or by changes in the external business environment. The Bank has strictly implemented regulatory requirements on strategic risk management, established a strategic risk governance structure tailored to its unique circumstances, formulated strategic risk management policies and well-defined strategic risk management procedures, and regularly carried out strategic risk monitoring, assessment and reporting. During the reporting period, the strategic risk of the Bank remained under control.

Information Technology Risk Management

Information technology risk refers to the operational, legal and reputational risks that may be incurred by commercial banks due to factors such as natural factors, human errors, technical vulnerabilities and inadequate management practices during the application of information technology.

Through the Digital Finance Committee, the Bank coordinated and promoted the building of the Group's IT risk management system and cybersecurity protection system. The Bank incorporated IT risk into its comprehensive risk management system, improved IT risk management measures, and continuously carried out effective identification, assessment, monitoring, control and reporting of IT risk in order to reduce and control IT risk at an appropriate level. It revised and improved its IT risk management policies and improved the quality and efficiency of its technology risk management. It continued to enhance its capabilities to guarantee operational safety, with no significant operational failures reported during the first half of 2025. It also strengthened its Group-wide and unified cybersecurity operation framework. In the first half of the year, the Bank actively blocked external attacks such as intrusion attempts, scanning detection and social engineering, and experienced no significant cybersecurity incidents.

Internal Control and Operational Risk Management

Internal Control

The Board of Directors, senior management and their special committees earnestly performed their duties regarding internal control and supervision while emphasising risk warning and prevention, thus improving the Group's level of operational compliance. The Bank continued to adopt the *Basic Standard for Enterprise Internal Control* and its supporting guidelines and implemented the *Guidelines for Internal Control of Commercial Banks* by following the basic principles of "complete coverage, checks and balances, prudence and correspondence", so as to promote internal control governance and an organisational structure characterised by reasonable delegation of work, well-defined responsibilities and clear reporting lines.

The Bank established and implemented the "Three Lines of Defence" mechanism for internal control. The first line of defence consists of business departments and all banking outlets. They are the owners of, and are accountable for risks and controls. They undertake self-directed risk control and management functions in the course of their business operations, including formulating and implementing policies, conducting business examination, reporting control deficiencies and organising rectifications. The internal control and risk management departments of the Bank's institutions at all levels form the second line of defence. They are responsible for the overall planning, implementing, examining and assessment of risk management and internal control, as well as for identifying, measuring, monitoring and controlling risks. They actively organise Bank-wide usage of the Group's operational risk monitoring and analysis platform, and are responsible for handling employee violations and management accountability. Through regular monitoring of material risks, the Bank identified and mitigated risks in a timely manner and promoted the optimisation of its business processes and systems. The third line of defence rests in the audit department of the Bank. The audit department is responsible for performing internal audits of the Bank's internal control and risk management in respect of its adequacy and effectiveness. Adopting a problem-oriented and risk-oriented approach, it gave play to the proactive role of audit work. Focusing on the implementation of national policies, regulatory requirements and the Group's development plans, the audit department concentrated its efforts on delivering the "Five Major Tasks", as well as improving the quality and efficiency of its services to the real economy. It closely monitored risk prevention and control in key areas and institutions, enhanced digitalised audit capabilities, promoted research-based audit practices, and carried out audit inspections as scheduled. The audit department attached equal importance to problem discovery and rectification supervision. It conducted independent evaluation of the quality and effectiveness of audit findings and the appropriateness and effectiveness of the Group's rectification mechanism, continuously promoting the application of audit results and the improvement of rectification quality and efficiency. It strengthened coordination and connection with other supervisory efforts and improved day-to-day risk prevention and control by the first and second lines of defence, jointly consolidating supervisory synergies with other supervisory bodies.

The Bank further improved its mechanism for internal control over case prevention, consolidated the responsibilities of primary responsible parties and took multiple control measures. The Bank implemented the *Measures for Risk Prevention and Control of Criminal Cases Involving Banking and Insurance Institutions* and the *Measures for the Management of Criminal Cases Involving Financial Institutions*. It improved its case risk prevention and control management system, strengthened the disposal and management of cases, prevented and controlled case risks across the entire business process, and constantly improved its internal control and case prevention management. It also focused on internal control inspection and the rectification of findings, established a notification mechanism for risk warnings, conducted regular education activities, raised employees' compliance awareness and fostered an internal control compliance culture.

The Bank established a sound financial accounting policy framework. Strictly abiding by the requirements of various accounting laws and regulations, the Bank continued to consolidate its accounting foundation. As such, the level of standardisation and refinement of its financial accounting management was continuously improved. The Bank also continued to strengthen the quality management of accounting information and further improve its basic accounting work, so as to establish a long-term mechanism for basic accounting work.

In the first half of 2025, the Bank successfully prevented 112 external cases involving RMB100.3738 million.

Compliance Management

The Bank continuously improved its compliance risk governance mechanism and management process and actively facilitated the implementation of the *Compliance Management Measures for Financial Institutions* to ensure the Group's sound operation and sustainable development.

Improving its AML and sanctions compliance programme to further enhance money laundering and sanctions compliance risk control. The Bank continued to streamline its due diligence mechanism, enhanced control of high-risk customers and transactions, and strengthened inspection and supervision. It conducted institutional money-laundering risk assessment, optimised its risk assessment methods and implementation, advanced suspicious transaction monitoring procedures and models, and improved its monitoring and analysis capabilities. The Bank also upgraded its AML-related IT systems to increase the level of digitalisation. It continued to develop the long-acting management framework for its overseas institutions' compliance and consolidated its management foundations, thus enhancing its compliance management capabilities. The Bank also continued to deliver various forms of AML training to enhance all employees' compliance awareness and abilities.

Continuously improving the refined management of connected transactions and internal transactions. The Bank implemented regulatory rules on connected transactions, improved its connected transactions management mechanism, strengthened management of connected parties, reinforced data governance of connected transactions and consolidated the foundations of its connected transactions management. It stepped up efforts in the identification, monitoring, disclosure and reporting of connected transactions, standardised the management of internal transactions and strictly controlled transaction risks. It also pushed forward system optimisation and enhanced the automated management of connected transactions and internal transactions.

Capital Management

The Bank's capital management objectives are to maintain its capital adequacy ratio at a reasonable level, support the implementation of the Group's strategies, resist various risks including credit risk, market risk and operational risk, etc., ensure the compliance of the Group and related institutions with capital regulatory requirements, promote the Group's transformation towards capital-light business development and improve its capital use efficiency and value creation capabilities.

The Bank implemented its *14th Five-Year Capital Management Plan*, focused on the requirements of high-quality development, adhered to the principle of attaching equal importance to endogenous accumulation and external supplementation, increased the cohesion of strategic planning, capital replenishment and performance assessment, and continuously improved management quality. It enhanced its economic capital budget and assessment mechanism, strengthened the application of value creation indicators in resource allocation, and heightened the Group's awareness of capital saving and value creation in order to enhance its capability for endogenous capital accumulation. The Bank improved its on and off-balance sheet asset structure, strengthened refined capital management, optimised capital-intensive businesses and developed capital-light businesses, reduced inefficient capital usage and drove improvement in the return level of capital. It expanded the application of advanced approaches to capital measurement and reasonably controlled the risk weighting of assets, thus continuously meeting regulatory capital adequacy requirements. It optimised its internal capital adequacy assessment process and improved its capital management governance structure. The Bank prudently replenished its capital through external financing channels in order to consolidate its capital base.

In the first half of 2025, the Bank successfully offered A Shares to specified investors, with total proceeds amounting to RMB165.0 billion, and issued RMB50.0 billion of tier 2 capital bonds in the CIBM, further strengthening its capital base. It reinforced the management of existing capital instruments and redeemed USD2.82 billion of Offshore Preference Shares (Second Tranche) and RMB40.0 billion of undated capital bonds, effectively reducing its cost of capital. As at 30 June 2025, the Group's capital adequacy ratio was 18.67%, remaining at a robust and reasonable level. The total loss-absorbing capacity (TLAC) risk-weighted ratio was 21.42%, meeting the regulatory requirement.

Capital Adequacy Ratios

As at 30 June 2025, the Group's capital adequacy ratios calculated in accordance with the *Capital Rules for Commercial Banks* are listed below:

Unit: RMB million, except percentages

Items	As at 30 June 2025	As at 31 December 2024
Net common equity tier 1 capital	**2,572,202**	2,344,261
Net tier 1 capital	**2,930,923**	2,763,286
Net capital	**3,822,237**	3,605,572
Total risk-weighted assets	**20,470,598**	19,217,559
Common equity tier 1 capital adequacy ratio	**12.57%**	12.20%
Tier 1 capital adequacy ratio	**14.32%**	14.38%
Capital adequacy ratio	**18.67%**	18.76%

The capital adequacy ratio met the additional regulatory requirements for systemically important banks. Please refer to Note IV.5 to the Condensed Consolidated Interim Financial Statements and the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2025* for more detailed information about capital measurement.

Leverage Ratio

As at 30 June 2025, the Group's leverage ratio calculated in accordance with the *Capital Rules for Commercial Banks* is listed below:

Unit: RMB million, except percentages

Items	**As at 30 June 2025**	As at 31 December 2024
Net tier 1 capital	**2,930,923**	2,763,286
Adjusted on- and off-balance sheet exposures	**38,550,087**	36,681,725
Leverage ratio	**7.60%**	7.53%

The leverage ratio met the additional regulatory requirements for systemically important banks. For more detailed information about leverage ratio measurement, please refer to the *Bank of China Limited Pillar 3 Disclosure Report for the First Half of 2025*.

Outlook

Looking ahead to the full year, the trajectory of global economic recovery remains uncertain. The effects of US tariff policies continue to linger, major central banks have more room to carry out interest rate cuts, the risk of financial market volatility is mounting worldwide, and there are still multiple factors driving uncertainty and instability in the external environment. From a domestic perspective, however, the Chinese economy continues to demonstrate stable foundations, multiple advantages, strong resilience and significant potential. The underlying supportive conditions and basic trend towards long-term improvement have not changed. More proactive macro policies are expected to be implemented, the construction of a unified national market is progressing in depth, and the cultivation of new growth drivers and competitive advantages is accelerating. These developments will further consolidate the momentum of economic recovery and improvement, creating new opportunities for transformation and growth in the banking industry.

The Bank will continue to adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, focus on its key responsibilities and main businesses, stay true to its original aspirations and founding mission, and uphold its core purpose of serving the real economy. It will give full play to its advantages in globalised and comprehensive operations, and lay a solid foundation for the conclusion of the 14th Five-Year Plan period. The Bank will firmly pursue a path of financial development with Chinese characteristics, and elevate its high-quality development to new heights while contributing to the broader effort of building China into a financial powerhouse.

The Bank will optimise its financial services and refine its diversified and professional service system. It will actively support the expansion of domestic demand, the stimulation of consumption and the stabilisation of investment. It will increase credit supply to key areas and weak links, and scale up the supply of high-quality consumer finance services. It will also provide financing to enterprises that stabilise and expand employment to facilitate their production and operation, thus helping to "stabilise employment and promote income growth", while reinforcing the foundations for healthy development of consumer market. It will vigorously advance the optimisation of its business structure and constantly refine its product and service systems to make them well-adapted to the fostering of new quality productive forces. It will devote intensive efforts to advancing the development of the "Five Major Tasks" of the financial sector, and support the steady growth of new industries, new forms of business and new models.

The Bank will give full play to its traditional advantages and enhance its global layout capabilities and international competitiveness. It will actively support the overall economic and trade situation and reinforce its strengths in globalised operations. It will support foreign trade expansion and help stabilise economic growth, intensify financial support for key regions and fields involved in the Belt and Road initiative, and increase the quality and efficiency of services for the "Going Global" of Chinese enterprises and the "Bringing In" of foreign investment. It will support and promote RMB internationalisation in a prudent, solid and robust manner, actively develop its global RMB clearing network, and expand its advantages in RMB cross-border clearing business.

The Bank will focus on risk prevention and control by firmly upholding the bottom line of preventing systemic risks from occurring. The Bank will strengthen its bottom-line thinking and worst-case scenario thinking, and further enhance the effectiveness of its comprehensive risk management. It will proactively prevent and resolve risks in key areas, dynamically optimise its credit management mechanism, accelerate the disposal of non-performing assets and improve asset quality control. The Bank will strengthen its market risk management by actively responding to market changes and refining its forward-looking risk control. It will continuously enhance the quality and efficiency of internal control and compliance management, strengthen internal control, case prevention and operational risk management, and carry out anti-money laundering and sanctions compliance work to a high standard.

The Bank will speed up digital transformation and reinforce the foundation for high-quality development. It will deepen the application of new technologies such as AI, strengthen the integration of business, data and technology, and accelerate the establishment of a new data-driven model for its operations and management. It will respond with agility to market and customer demands, expedite product innovation and promotion, improve digitalisation and intelligence in key areas such as customer marketing, risk management and operational decision-making, and thus forge a new engine for high-quality development.

Environmental, Social and Governance

Environmental Responsibilities

Governance Structure

The Bank has established and consistently improved the three-tier governance structure, comprising the Board of Directors, Senior Management and a professional team, and continued to enhance its environmental (climate)-related governance capabilities. In the first half of 2025, the Board of Directors and its Strategic Development Committee reviewed and approved the *Report on Green Finance Development for 2024 and Work Plan for 2025*, while the Board and its Corporate Culture and Consumer Protection Committee reviewed and approved the *Corporate Social Responsibility Report (ESG) of Bank of China Limited for 2024*. The Senior Management studied the guiding principles of the important speeches by General Secretary Xi Jinping regarding green development, discussed the implementation measures, and heard reports on the implementation progress of the Bank's green finance action plan, to facilitate the Bank's endeavours in developing green finance. The Bank issued the *Charter of the Green Finance Committee of Bank of China Limited (Revised in 2025)* to optimise the composition, institutional arrangements and main functions of the Green Finance Committee. The professional team proactively carried out the Group's green finance work, making solid efforts to advance green finance development. The Bank also incorporated indicators related to the development of green finance into the performance assessment of senior management members, linking assessment results to remuneration.

Strategies and Policies

In strict alignment with the national goal of "peak carbon emissions and carbon neutrality", the Bank continued to enhance its "1+1+N" green finance policy system, consisting of a green finance scheme, an action plan and specific policies. To date, it has developed a policy support package covering 13 areas, including performance assessment and incentive reinforcement, optimisation of economic capital cost management, differentiated authorisation, and allocation of staff costs, etc. In the first half of 2025, focusing on green development, the Bank revised the *Green Finance Action Plan of Bank of China Limited*, and formulated the *2025 Work Plan for Green Finance of Bank of China Limited*, detailing measures related to aspects such as strengthening top-level design, promoting business development, supporting key areas, customers' ESG risk management, green operations, cooperation and communication, capacity building and talent cultivation, and optimising IT systems, etc. It issued the *Guidelines for Industry Allocation of Credit of Bank of China Limited for 2025 (Revised in 2025)*, which continued to define green and low-carbon industries such as wind power, new energy storage, ecological protection and environmental treatment as positive growth industries, and improved corresponding supporting policies to channel more funds into these industries. Moreover, the Bank developed new credit granting policies for industries such as environmental protection equipment manufacturing, providing business development guidance in terms of customer and project access standards, related risk identification and prevention, and credit management strategies.

Customer Environmental (Climate), Social and Governance Risk Management

The Bank has incorporated customer ESG risk management into its comprehensive risk management system, and has also established a system encompassing the whole process of customer ESG risk management, including risk identification, measurement, assessment, monitoring, reporting, control, and mitigation, to effectively control and reduce customers' ESG risks. It has implemented the *Management Policy on Environmental (Climate), Social, and Governance Risks Associated with Customers of Bank of China*. Focusing on corporate banking (including working capital loans and project financing) and other businesses, this policy covers the entire business cycle, covering risk identification and classification, due diligence, business approval, contract management, fund distribution, post-lending management and post-investment management, driving the continuous improvement of the Bank's customer ESG risk management.

The Bank conducted routinised reviews on green credit data, enhanced communication with stakeholders, and established a mechanism for thorough, timely and effective communication with government departments, environmental protection organisations, community groups, media, investors and other relevant parties.

Objectives and Indicators

Upholding the goal of becoming the "bank of choice for green finance services", the Bank improved its green finance products and services, continued to increase support for clean energy and other green industries, and remained focused on the financial demands of traditional industries for green transition and upgrading.

Objectives during the 14th Five-Year Plan period	Completion progress in the first half of 2025
Providing additional credit support of no less than RMB3 trillion for green industries	As at the end of June 2025, the green loan balance was RMB4,539.1 billion, with a proportion exceeding 20%.
Achieving year-by-year increases in the balance of domestic green credit	The green loan balance recorded a growth of RMB658.0 billion, or 16.95%, compared to the balance under the same criteria at the end of the last year.
Maintaining asset quality at a sound level	The NPL ratio of green credit was less than 0.5%, lower than the Group's overall NPL ratio.
Achieving year-by-year increases in green bond investment scale	As at the end of June 2025, investment in green bonds exceeded RMB100 billion, a steady increase from the beginning of the year.
Leading the market in the underwriting of green bonds	The scales of domestic and overseas green bond underwriting ranked first in the interbank market, and first among Chinese peers in Bloomberg's "Global Offshore Green Bonds" ranking, respectively.
Ceasing to provide financing for new coal mining and coal power projects outside the Chinese mainland from the fourth quarter of 2021, except where financing agreements have already been signed	Completed in the first half of 2025.
Continually reducing the proportion of domestic corporate loans to carbon-intensive industries	Completed in the first half of 2025.

The Bank's "BOC Green+" financial products and service system covers loans, bonds, retail consumption and comprehensive services, etc., meeting customers' demands for a diverse range of green financial products and services. For details of the Bank's green product performance, please see the "Management Discussion and Analysis – Business Review – Green Finance" section of this report.

Green Operations

The Bank advocated the concept of green development, consistently pressed ahead with green operations, and continuously drove the adoption of measures on energy conservation, emissions reduction and carbon abatement across its institutions. It issued the *2025 Carbon Neutrality Work Plan for Domestic Branches*, clarifying the annual objectives, approving special funds, and putting forward specific steps for implementation across different areas. The Bank actively promoted green concepts, vigorously advocated low-carbon lifestyles such as green office and green mobility, comprehensively advanced energy conservation and consumption reduction, and steadily upgraded aging and high-energy-consumption equipment. The Bank deepened the application of green electricity, with multiple tier-1 branches now using 100% green electricity in their main office buildings. It also actively pushed forward the construction of green outlets, with a total of 60 featured outlets for green construction now established. In the first half of 2025, the Bank directly participated in the national carbon market trading for the first time, purchasing the first batch of China Certified Emission Reduction (CCER) in the national carbon market for its institutions to carry out carbon neutrality activities.

Social Responsibilities

Consolidating and Expanding Achievements in Poverty Alleviation and Eradication

Fully leveraging its industry advantages, the Bank has continuously promoted comprehensive rural revitalisation in the four counties of Yongshou, Changwu, Xunyi and Chunhua in Xianyang City, Shaanxi Province (the "four counties"). In the first half of 2025, the Bank donated anti-poverty assistance funds of more than RMB38 million in the four counties, and launched nearly 30 assistance projects related to industrial revitalisation, education and healthcare, living environment governance, and ecological restoration, etc. As at the end of June 2025, the loans granted to the four counties by the Bank amounted to RMB2.8 billion, with nearly 10,000 training attendances from primary-level officials, rural revitalisation leaders and professional and technical personnel from the four counties, and purchase and support for sales of agricultural products worth RMB82 million from poverty-alleviated areas. Seizing opportunities to support major exhibitions and conferences, the Bank set up a targeted assistance exhibition section at the 5th China International Consumer Products Expo to showcase featured agricultural products from poverty-alleviated areas. It also launched a live-stream shopping channel and arranged e-commerce sales teams from the four counties to promote their products, so as to support the development of rural e-commerce and the sales of agricultural products.

Promoting Rural Revitalisation in All Aspects

Following China's rural revitalisation strategy, the Bank focuses on the key customer groups relating to agriculture, rural areas and farmers as well as key areas and weak links in agriculture and rural areas, continuously increases financial resource input, and has improved the quality and efficiency of financial support for comprehensive rural revitalisation. In the first half of 2025, the Bank increased credit support for the key areas of farmland, agricultural supplies, and grain production and circulation, steadily bolstered the development of major agricultural and rural infrastructure projects, all dedicated to promoting rural revitalisation. As at 30 June 2025, its balance of agriculture-related loans amounted to RMB2.87 trillion, and the balance of inclusive agriculture-related loans reached RMB587.1 billion. The Bank's outlets covered 1,236 counties (not including prefecture-level districts and above), with over 1,400 featured outlets focusing on rural revitalisation. Meanwhile, BOC Fullerton Community Bank, as an important platform of the Bank for supporting county-level economies, has upheld its strategic positioning of "taking roots in counties and supporting farmers and small-sized enterprises", and boasts 134 village branches and 188 township sub-branches/outlets, operating in county-level rural areas across 22 provinces and municipalities nationwide, making it the largest domestic rural bank group in terms of number of institutions. As at 30 June 2025, it served around 497,300 loan customers, with an average loan size of around RMB191,800 per customer. Loans to farmers and micro and small-sized enterprises accounted for 94.28% of these loans, while operating loans accounted for 94.69%.

Fully Supporting Public Welfare

The Bank regards supporting public welfare as an important move to practice the political and people-oriented nature of financial work, stays committed to serving national strategies and improving people's wellbeing, and has taken various practical actions such as public welfare donations and employee volunteer services to spread its warmth and fulfil its responsibilities. In the first half of 2025, the Bank planned and launched more than 100 public welfare donation projects across a range of sectors, including rural revitalisation, education, science and technology, health, culture, environmental protection and emergency relief, with voluntary donation exceeding RMB42 million. Around 28,000 young volunteers across the Bank participated in 893 volunteering programmes, serving diverse groups including teachers and students, community residents, corporate employees, farmers, seniors living alone, and left-behind children, with a total of more than 549,400 service cases delivered. The Bank has ensured the disbursement of government-sponsored student loans and has strictly implemented the policy of interest exemption and deferred repayment for government-sponsored student loans for 2025. As at 30 June 2025, it had cumulatively granted RMB28.526 billion in government-sponsored student loans, supporting over two million students from financially disadvantaged families to complete their studies. In partnership with the China Children and Teenagers' Fund, the Bank has held the "BOC Private Select – Charity Platform – Spring Bud Project" for the 11th consecutive year. As at 30 June 2025, the Bank had raised a total of over RMB23 million in donations from customers and employees to support more than 6,000 girls in the project. In the first half of 2025, the Bank leveraged its advantages in global services to continuously support the implementation of "The Silk Road of Culture" programme by China International Cultural Association worldwide and assisted in a number of activities such as the summer camp to China for Hungarian-Chinese bilingual school and the Chinese Bridge – Chinese Proficiency Competition for Foreign Secondary School Students, empowering financial strength for the promotion of cultural exchange and mutual learning between China and other countries.

Continuously Improving the Quality and Efficiency of Inclusive Finance Services

Committed to the philosophy of "providing timely assistance and serving the people's livelihood", the Bank continuously optimises the quality and efficiency and consistently improves the accessibility and convenience of its inclusive finance services. Promoting the inclusive development of financial support and broadening its service coverage, the Bank rolled over loans for enterprises experiencing temporary operational difficulties without requiring them to repay principal first. As at 30 June 2025, the Bank's customer base for inclusive loans to micro and small-sized enterprises surpassed 1.72 million, an increase of 15.58% compared with the beginning of the year. Leveraging its financial strength to support employment stabilisation, the Bank focused on micro and small-sized enterprises with strong capabilities to drive employment stabilisation and expansion, and carried out the "Inclusive Loan for Employment Promotion" initiative for the fourth consecutive year. In the first half of 2025, it launched more than 440 activities, and granted special loans of over RMB300 billion to enterprises with outstanding contributions to stabilising and expanding employment. To safeguard the people's livelihood through financial empowerment, the Bank provided services to a wide range of customers, including self-employed individuals, new urban residents, foreign trade merchants and veterans. It carried out the "Benefits Throughout the Four Seasons" service initiative and rolled out exclusive financial services such as support for "famous-brand, special, excellent and new products", "Innovation Support Loan", and "Veteran Support Loan". To make financial services more accessible, the Bank continued to deepen its integrated online and offline service model, further increase resource input and drive service innovation, expand the service outreach of featured inclusive finance outlets, and provide convenient services by leveraging its "BOC Inclusive Finance" app and the "BOC Quick Loan" online product system.

Vigorously Protecting the Rights and Interests of Financial Consumers

Upholding its "people-centred" development philosophy, the Bank continuously strengthened the quality and efficiency of consumer rights protection and improved related governance structures and mechanisms, so as to enhance customers' sense of gain, happiness and security. It intensified efforts in complaint management, ensured smooth channels for complaint acceptance and handling, and actively and properly addressed various complaints raised by financial consumers. In the first half of 2025, the Bank received approximately 178,000 customer complaints[4] with a resolution rate of 100%. It actively carried out financial knowledge education and publicity activities. In the first half of 2025, a total of around 110,000 activities were carried out, attracting more than 2 billion visits, a year-on-year increase of over 100%. These efforts effectively improved consumers' financial literacy and enhanced their risk prevention capabilities. The audit department of the Bank conducts special audits on consumer protection on an annual basis, and includes inspections on consumer protection in its regular audits of the Bank's institutions. Audits conducted in 2025 focused on aspects such as the institutional development of consumer protection, mechanisms and functioning, operation and service, education and publicity, and complaint management.

The Bank has always prioritised the rights and interests of financial consumers, carefully listened to the voice of customers, and worked to provide them with a better service experience, with a view to building a harmonious and healthy environment for financial consumption. In terms of customer service, it continued to optimise business processes, constantly enriched the varieties of products and services, strove to provide greater support and protection for special communities, and improved the quality and efficiency of its online and offline services. In terms of risk prevention and control, it reinforced the entire workflow system chain for before, during and after risk events, and continued to drive the empowerment of consumer protection through technology. In terms of complaint handling, it upheld the principle of addressing both symptoms and root causes. It advanced the building and application of the complaint management mechanism, enhanced the quality and efficiency of complaint handling, and made every effort to resolve customer complaints. It strengthened the analysis of the root causes of customer complaints and conducted business governance from the source, with the aim of providing financial consumers with higher-quality products and services.

4 The customer complaint data for the first half of 2025 is the statistical result after consolidating repeated complaints.

The Bank took practical actions to fulfil its primary responsibility for financial education. Based on its "centralised + regular" mechanism, it continued to organise and participate in the centralised education and publicity activities such as the "3·15" consumer rights protection and "Popularising Financial Knowledge" campaigns. It innovatively launched multi-channel and multi-format financial education campaigns at different levels, breaking away from traditional approaches to enable cross-sector integration through the "Finance+" mode, and incorporating consumer protection knowledge into characteristic scenarios such as intangible heritage culture and tourism, sports, and healthcare, so as to attract more consumers to participate. At the same time, the Bank deepened efforts in content creation, producing content that combines vivid creative expression with professional expertise, thus helping financial knowledge to reach a wider audience. It also continued to carry out regular campaigns such as "BOC Consumer Protection By Your Side All The Time". For key groups such as "the elderly, the young and the new urban residents", rural residents, cross-border groups and investors, it carried out differentiated and targeted education according to their diverse needs for financial knowledge, focusing on themes related to people's livelihoods, such as elderly-oriented services, payment facilitation, anti-fraud and anti-illegal fundraising, to make the voice of finance better heard.

The Bank closely aligned with laws, regulations and regulatory requirements, continuously improved its organisational structure, institutional mechanisms and management standards for the protection of personal customer information, and made solid improvements in the management of personal customer information protection. It published the *Personal Customer Information Protection Policy of Bank of China Limited (Official Website Version)* and the *Rules for Minors' Personal Information Protection of Bank of China Limited (Official Website Version)* on its official website, to better fulfil its obligation of informing customers of information processing rules. In line with the requirements on responding to personal information rights, it established and improved a convenient mechanism for receiving, accepting and handling requests on data subject rights across the Bank. It continued to carry out personal information protection impact assessments (PIPIA), re-examined and optimised contract clauses regarding personal customer information protection in its customer agreements, and strengthened pre-event control in key scenarios. In its daily operations, the Bank implemented the requirements for the lifecycle management of personal customer information and continuously carried out special training and warning education on personal customer information protection to boost employees' awareness and compliance capabilities.

Governance Responsibilities

Handling of Petition Matters

The Bank places great importance on the handling of petition matters. In accordance with the *Management Measures for Petition Work of Bank of China Limited*, the Bank continuously maintained the openness and accessibility of its communication channels, both online and offline, including postal correspondence, telephone hotlines, in-person visits, and e-mails, to actively listen to public opinions, suggestions, and requests. It accepted petition submissions from stakeholders, whether filed anonymously or under real names, fully safeguarded the privacy and security of petitioners, and strictly prohibited any retaliation against informants from anybody, in any form. Consistently adhering to the political and people-oriented nature of financial work, the Bank advocated and developed the "Fengqiao Experience" in the new era, continuously resolving long-pending petition cases and striving to foster a sound environment to support the Bank's overall operations and development.

Intensifying Efforts in Anti-Corruption and Building a Clean Bank

In the first half of 2025, the Bank continued to improve its mechanism for ensuring full and strict Party self-governance and resolutely tackled corruption. It established and refined a system of power checks and balances, enhanced supervision and took coordinated steps to uphold the principle of ensuring officials dare not, cannot and will not be corrupt. It resolutely dispelled the notion that financial professionals are an "exceptional, elite and special" group, and concurrently addressed issues of misconduct and corruption, pressing forward with the eradication of the root causes and conditions that facilitate corruption. The Bank intensified efforts to investigate and penalise illegal and disciplinary violations, maintaining a strong stance on anti-corruption and persistently advancing the fight against corruption, and systematically coordinated its anti-corruption efforts with the prevention and control of financial risks. It worked ceaselessly to address formalism, bureaucratism, hedonism and extravagance, and foster new practices. It made consistent and sustained efforts to improve conduct, guiding all cadres and staff to address misconduct, practice frugality and thrift, and promote fresh and healthy customs and practices. To strengthen routinised disciplinary education, the Bank produced the awareness education film "*Renewed Efforts and Renewed Charges*" and utilised real-life examples from employees to deliver impactful educational messages, thereby fostering a sense of respect, vigilance and adherence to the bottom line.

The Bank attached great importance to the integrity building and anti-corruption efforts of its overseas institutions. In alignment with its commitment to supporting China's high-level opening-up strategy through high-quality services, it continuously improved its internal control and supervision system, strengthened integrity education, and intensified supervision and inspection efforts. Through these efforts, the Bank embedded comprehensive and rigorous management practices in its overseas institutions, fostering an atmosphere of clean and compliant operations across the Bank's global footprint.

Consumer Rights Protection Training as Part of Business Ethics Standards Training

The Bank worked to enhance employees' awareness of consumer rights protection and related service skills, and conveyed the latest laws, regulations and regulatory requirements in a timely manner. In the first half of 2025, the Bank held the "Complaint Management Skills Training Class" and the "Workshop on Developing Micro Cases of Consumer Rights Protection". At the same time, it integrated training on consumer rights protection into the professional training processes of various businesses, and organised institutions at all levels to launch targeted training for diverse business scenarios. The training covered relevant staff in the Head Office departments, domestic branches and comprehensive operation companies, further empowering and serving primary-level institutions and improving the quality and efficiency of work across the Bank.

Changes in Shares and Shareholdings of Shareholders

Ordinary Shares

Changes in Ordinary Shares

Unit: Share

		As at 1 January 2025		Increase/decrease during the reporting period					As at 30 June 2025	
		Number of shares	Percentage	Issuance of new shares	Bonus shares	Shares transferred from surplus reserve	Others	Subtotal	Number of shares	Percentage
I.	**Shares subject to selling restrictions**	**–**	**–**	**27,824,620,573**	**–**	**–**	**–**	**27,824,620,573**	**27,824,620,573**	**8.64%**
	1. Shares held by the state	–	–	27,824,620,573	–	–	–	27,824,620,573	27,824,620,573	8.64%
	2. Shares held by the state-owned legal persons	–	–	–	–	–	–	–	–	–
	3. Shares held by other domestic capital	–	–	–	–	–	–	–	–	–
	4. Shares held by foreign capital	–	–	–	–	–	–	–	–	–
II.	**Shares not subject to selling restrictions**	**294,387,791,241**	**100.00%**	**–**	**–**	**–**	**–**	**–**	**294,387,791,241**	**91.36%**
	1. RMB-denominated ordinary shares	210,765,514,846	71.59%	–	–	–	–	–	210,765,514,846	65.41%
	2. Overseas listed foreign shares	83,622,276,395	28.41%	–	–	–	–	–	83,622,276,395	25.95%
III.	**Total ordinary shares**	**294,387,791,241**	**100.00%**	**27,824,620,573**	**–**	**–**	**–**	**27,824,620,573**	**322,212,411,814**	**100.00%**

Notes:

1 As at 30 June 2025, the Bank had issued a total of 322,212,411,814 ordinary shares, including 238,590,135,419 A Shares and 83,622,276,395 H Shares.

2 As at 30 June 2025, 27,824,620,573 A Shares of the Bank were subject to selling restrictions, while the rest of the Bank's A Shares and all H Shares were not subject to selling restrictions.

Offering of A Shares to Specified Investors

To strengthen its capital base and optimise its capital structure, the Bank, following approvals of its shareholders' meeting, the NFRA, and the SSE, as well as the registration approval of the CSRC, completed the offering of 27,824,620,573 A Shares (with a par value of RMB1.00 per share) to the specified investor, the MOF. The closing price of the A Shares of the Bank on the last trading day immediately before signing the share subscription agreements (i.e. 28 March 2025) was RMB5.50 per share. The issue price was RMB5.93 per share, with total proceeds amounting to RMB165,000,000,000.00. After deducting issuance costs, the net proceeds were RMB164,952,658,061.90, and net proceeds per share were approximately RMB5.93. As of 30 June 2025, the net proceeds have been fully used to increase the Bank's common equity tier 1 capital.

Upon completion of this offering, the Bank's total ordinary shares amounted to 322,212,411,814 shares, including 238,590,135,419 A Shares and 83,622,276,395 H Shares. The MOF made a strategic investment in the Bank by subscribing to the offering and has become one of the top ten shareholders.

For details of this offering, please refer to the Bank's announcements published on the websites of the SSE, the HKEX and the Bank on 13 June 2025 and 18 June 2025.

Impact of Changes in Ordinary Shares on Basic Earnings per Share and Other Financial Indicators for the Most Recent Year and the Most Recent Reporting Period

The Bank's offering of A Shares to specified investors in June 2025 has led to an increase in the total share capital and net assets, resulting in a dilutive effect on earnings per share and net assets per share. The Bank's basic earnings per share from January to June 2025 were RMB0.36, and the net assets per share attributable to ordinary shareholders as of the end of June 2025 were RMB8.19. The Bank's basic earnings per share for 2024 were RMB0.75, and the net assets per share attributable to ordinary shareholders as of the end of 2024 were RMB8.18.

Date of Listing and Trading of Shares Subject to Selling Restrictions

Unit: Share

Date	Number of shares allowed to be tradable at the maturity of lock-up period	Remaining shares subject to selling restrictions	Remaining shares not subject to selling restrictions	Remarks
17 June 2030	27,824,620,573	–	322,212,411,814	All newly tradable shares at the maturity of lock-up period are held by the MOF

Number of Ordinary Shareholders and Shareholdings

The number of ordinary shareholders as at 30 June 2025 was 615,390, including 454,495 A Share holders and 160,895 H Share holders.

The shareholdings of the top ten ordinary shareholders as at 30 June 2025 are set forth below:

Unit: Share

No.	Name of ordinary shareholder	Increase/ decrease during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total ordinary shares	Number of shares subject to selling restrictions	Number of shares pledged, labelled or frozen	Type of shareholder	Type of ordinary shares
1	Huijin	–	188,791,906,533	58.59%	–	None	State	A
2	HKSCC Nominees Limited	47,558,847	81,828,958,645	25.40%	–	Unknown	Foreign legal person	H
3	MOF	27,824,620,573	27,824,620,573	8.64%	27,824,620,573	None	State	A
4	China Securities Finance Corporation Limited	–	7,941,164,885	2.46%	–	None	State-owned legal person	A
5	Central Huijin Asset Management Ltd.	–	1,810,024,500	0.56%	–	None	State-owned legal person	A
6	HKSCC Limited	216,303,747	1,650,060,130	0.51%	–	None	Foreign legal person	A
7	MUFG Bank, Ltd.	–	520,357,200	0.16%	–	Unknown	Foreign legal person	H
8	Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds	(114,864,557)	280,267,488	0.09%	–	None	Other	A
9	Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 ETF Traded Open-End Index Securities Investment Funds	(111,549,800)	252,314,145	0.08%	–	None	Other	A
10	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	193,925,794	236,896,531	0.07%	–	None	Other	A

Notes:

1 The number of shares held by HKSCC Nominees Limited represents the aggregate number of the Bank's H Shares it held as the nominee for all the institutional and individual investors that maintained accounts with it as at 30 June 2025.

2 As at 30 June 2025, with the approvals of the regulatory authorities, CITIC Financial AMC held 10,495,701,000 H Shares of the Bank through an agreement-based arrangement and increased its holdings of H Shares of the Bank via southbound trading under the Shanghai-Hong Kong Stock Connect. In addition, it held 10,000,000 H Shares of the Bank through its controlled corporation China CITIC Financial AMC International Holdings Ltd. The aforementioned shares were registered in the name of HKSCC Nominees Limited. As of the end of the reporting period, CITIC Financial AMC had not pledged any of the Bank's shares.

3 The number of shares held by HKSCC Limited is the aggregate number of the Bank's A Shares it held as a nominee holder who holds securities designated by and on behalf of others, including the number of SSE-listed securities acquired by Hong Kong SAR and overseas investors through the Shanghai-Hong Kong Stock Connect.

4 Huijin holds 100% of the equity of Central Huijin Asset Management Ltd. and 66.70% of the equity of China Securities Finance Corporation Limited. HKSCC Nominees Limited is a wholly-owned subsidiary of HKSCC Limited. Save as disclosed in this report, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

5 Except for H Share holders whose participation in margin trading, short-selling or refinancing business is unknown to the Bank, none of the Bank's top ten shareholders as at 30 June 2025 had participated in such business.

6 Unless otherwise specified, the statistics above are sourced from the Bank's register of shareholders as at 30 June 2025.

The shareholdings of the top ten ordinary shareholders not subject to selling restrictions as at 30 June 2025 are set forth below:

Unit: Share

Name of shareholder	Number of shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
Huijin	188,791,906,533	A	188,791,906,533
HKSCC Nominees Limited	81,828,958,645	H	81,828,958,645
China Securities Finance Corporation Limited	7,941,164,885	A	7,941,164,885
Central Huijin Asset Management Ltd.	1,810,024,500	A	1,810,024,500
HKSCC Limited	1,650,060,130	A	1,650,060,130
MUFG Bank, Ltd.	520,357,200	H	520,357,200
Industrial and Commercial Bank of China – SSE 50 Exchange Traded Open-End Index Securities Investment Funds	280,267,488	A	280,267,488
Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 ETF Traded Open-End Index Securities Investment Funds	252,314,145	A	252,314,145
China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	236,896,531	A	236,896,531
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open – End Index Seed Securities Investment Fund	181,795,055	A	181,795,055

The shareholdings of the top ten ordinary shareholders subject to selling restrictions as at 30 June 2025 are set forth below:

Unit: Share

Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Information of tradable shares subject to selling restrictions		Selling restrictions
		Time for trading	Number of new shares available for trading	
MOF	27,824,620,573	17 June 2030	–	Five years from the date of equity acquisition from the Bank's offering of shares to specified investors in 2025

Information on Substantial Shareholders

For information on the shareholdings of Huijin, the MOF, and CITIC Financial AMC as of 30 June 2025, please refer to the sections "Number of Ordinary Shareholders and Shareholdings" and "Interests and Short Positions Held by Substantial Shareholders and Other Persons". During the reporting period, the Bank's controlling shareholder remained unchanged.

Substantial Shareholders Holding 5% or More of the Bank's Shares

Huijin

Central Huijin Investment Ltd. is a state-owned investment company established on 16 December 2003 under the Company Law, with Mr. ZHANG Qingsong as its legal representative. Wholly owned by China Investment Corporation, Huijin makes equity investments in major state-owned financial institutions, as authorised by the State Council. To the extent of its capital contribution, Huijin exercises its rights and fulfils its obligations as an investor in major state-owned financial institutions on behalf of the State, in accordance with applicable laws aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial institutions of which it is the controlling shareholder.

MOF

Established in October 1949, the Ministry of Finance of the People's Republic of China is a constituent department of the State Council, and the macro regulatory authority responsible for managing China's fiscal revenues and expenditures, tax policies, and related matters.

Other Substantial Shareholders under Regulatory Standards

CITIC Financial AMC

China CITIC Financial Asset Management Co., Ltd. was founded on 1 November 1999. Its main businesses include non-performing asset operation, asset management, and investment. For more information, please refer to its official website: www.famc.citic.

The Bank's incumbent Non-executive Directors Mr. ZHANG Yong, Mr. HUANG Binghua, Mr. LIU Hui, Mr. SHI Yongyan and Ms. LOU Xiaohui were recommended by the Bank's shareholder Huijin. Incumbent Non-executive Director Mr. LI Zimin was recommended by the Bank's shareholder CITIC Financial AMC.

Interests and Short Positions Held by Substantial Shareholders and Other Persons

The register maintained by the Bank under Section 336 of the SFO recorded that, as at 30 June 2025, the shareholders indicated in the following table held interests or short positions in shares of the Bank (as defined in the SFO):

Name of shareholder	Capacity (types of interest)	Number of shares held/Number of underlying shares (unit: share)	Type of shares	Percentage of total issued A Shares	Percentage of total issued H Shares	Percentage of total issued ordinary shares
Huijin	Beneficial owner	188,791,906,533	A	79.13%	–	58.59%
	Interest of controlled corporations	9,751,189,385	A	4.09%	–	3.03%
	Total	198,543,095,918	A	83.22%	–	61.62%
MOF	Beneficial owner	27,824,620,573	A	11.66%	–	8.64%
BlackRock, Inc.	Interest of controlled corporations	5,010,808,842	H	–	5.99%	1.56%
		16,337,000(S)	H	–	0.02%	0.01%
CITIC Financial AMC	Beneficial owner	15,062,446,000	H	–	18.01%	4.675%
	Interest of controlled corporations	10,000,000	H	–	0.01%	0.003%
	Total	15,072,446,000	H	–	18.02%	4.678%
CITIC Securities Company Limited	Beneficial owner	16,966,048	H	–	0.02%	0.01%
		771,000(S)	H	–	0.001%	0.0002%
	Investment manager	6,414,431,000	H	–	7.67%	1.99%
	Interest of controlled corporations	35,003,000	H	–	0.04%	0.01%
	Total	6,466,400,048	H	–	7.73%	2.01%
		771,000(S)	H	–	0.001%	0.0002%
CITIC Securities Asset Management Company Limited	Trustee	5,890,062,000	H	–	7.04%	1.83%
CITIC Securities Asset Management – No.3 Single Asset Management Scheme	Other	5,909,466,000	H	–	7.07%	1.83%

Notes:

1 BlackRock, Inc. held a long position of 5,010,808,842 H Shares and a short position of 16,337,000 H Shares of the Bank through BlackRock Finance, Inc. and other corporations controlled by it. In the long position of 5,010,808,842 H Shares, 86,757,000 H Shares were held through derivatives. The entire short position of 16,337,000 H Shares was held through derivatives.

2 CITIC Financial AMC, as a beneficial owner, held a long position of 15,062,446,000 H Shares of the Bank. Through its controlled corporation China CITIC Financial AMC International Holdings Ltd., it held a long position of 10,000,000 H Shares of the Bank.

3 CITIC Securities Company Limited held, through its controlled corporations including but not limited to CITIC Securities Asset Management Company Limited and CITIC Securities International Company Limited, a long position of 6,466,400,048 H Shares and a short position of 771,000 H Shares of the Bank. In the long position of 6,466,400,048 H Shares, 1,000 H Shares were held through derivatives. The entire short position of 771,000 H Shares was held through derivatives.

4 CITIC Securities Asset Management Company Limited is a wholly-owned subsidiary of CITIC Securities Company Limited. CITIC Securities Asset Management Company Limited, through all the asset management plans it manages including CITIC Securities Asset Management – No.3 Single Asset Management Scheme, held a long position of 5,890,062,000 H Shares of the Bank.

5 CITIC Securities Asset Management Company Limited is the manager of CITIC Securities Asset Management – No.3 Single Asset Management Scheme. CITIC Financial AMC is the sole principal and beneficiary of CITIC Securities Asset Management – No.3 Single Asset Management Scheme.

6 (S) denotes short position.

7 Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 30 June 2025, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

8 The register maintained by the Bank under Section 336 of the SFO contains information which is self-reported by the relevant shareholders or other persons, and the Bank is not required by the relevant ordinance to conduct any independent investigation.

Preference Shares

Number of Preference Shareholders and Shareholdings

The number of preference shareholders as at 30 June 2025 was 105, and all of them were domestic preference shareholders.

The top ten preference shareholders as at 30 June 2025 are set forth below:

Unit: Share

No.	Name of preference shareholder	Increase/ decrease during the reporting period	Number of shares held as at the end of the reporting period	Percentage of total preference shares	Number of shares pledged or frozen	Type of shareholder	Type of preference shares
1	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund	–	73,383,300	7.34%	None	Other	Domestic Preference Shares
2	China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	–	70,000,000	7.00%	None	Other	Domestic Preference Shares
3	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.1 Securities Investment Collective Capital Trust Fund	220,000	59,300,000	5.93%	None	Other	Domestic Preference Shares
4	Jiangsu International Trust Corporation Limited – JSITC – Multi-strategy Youxuan No.2 Collective Capital Trust Fund	–	56,000,000	5.60%	None	Other	Domestic Preference Shares
5	Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-strategy Youying No.10 Securities Investment Collective Capital Trust Fund	–	42,460,000	4.25%	None	Other	Domestic Preference Shares
6	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund	–	34,358,700	3.44%	None	Other	Domestic Preference Shares
7	CCB Trust Co., Ltd. – CCB Trust – Anxin Strategy No.1 Collective Capital Trust Fund	–	33,000,000	3.30%	None	Other	Domestic Preference Shares
8	Ping An Life Insurance Company of China – Universal – Individual Universal Insurance	–	30,000,000	3.00%	None	Other	Domestic Preference Shares
8	Shanghai Tobacco Group Co., Ltd.	–	30,000,000	3.00%	None	State-owned legal person	Domestic Preference Shares
10	China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.31 Collective Capital Trust Fund	–	28,000,000	2.80%	None	Other	Domestic Preference Shares

Notes:

1 China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.2 Collective Capital Trust Fund, China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.22 Collective Capital Trust Fund, and China Credit Trust Co., Ltd. – China Credit Trust – Baofu No.31 Collective Capital Trust Fund are managed by China Credit Trust Co., Ltd. Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.1 Securities Investment Collective Capital Trust Fund and Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No.10 Securities Investment Collective Capital Trust Fund are managed by Hwabao Trust Co., Ltd.

2 As of 30 June 2025, China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH was one of the top ten ordinary shareholders and top ten preference shareholders of the Bank.

3 Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank's top ten ordinary shareholders.

Exercising Redemption Rights of Preference Shares

With the approvals of the NFRA, the Bank redeemed all 197,865,300 Offshore Preference Shares (Second Tranche) on 4 March 2025. The Bank paid in full the nominal value of the Offshore Preference Shares and the dividends declared but not yet distributed, totalling USD2,921,520,000. For details, please refer to the Bank's announcements published on the websites of the SSE, the HKEX and the Bank on 5 March 2025.

Other Information regarding Preference Shares

During the reporting period, there was no conversion into ordinary shares or voting rights recovery in respect of the preference shares of the Bank.

Preference shares issued by the Bank contain no contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. Preference shares issued are non-derivative instruments that will be settled in the entity's own equity instruments, but include no contractual obligation for the entity to deliver a variable number of its own equity instruments. The Bank classifies preference shares issued as an equity instrument. Fees, commissions and other transaction costs arising from preference shares issuance are deducted from equity. The dividends on preference shares are recognised as profit distribution at the time of declaration.

The funds raised from the issuance of preference shares have been fully used to replenish the Bank's additional tier 1 capital and increase its capital adequacy ratio.

Directors, Supervisors, Senior Management Members and Staff

Directors, Supervisors and Senior Management Members

Directors

Name	Position	Name	Position
GE Haijiao	Chairman	LOU Xiaohui	Non-executive Director
ZHANG Hui	Vice Chairman and President	LI Zimin	Non-executive Director
LIU Jin	Executive Director	Jean-Louis EKRA	Independent Director
ZHANG Yong	Non-executive Director	Giovanni TRIA	Independent Director
HUANG Binghua	Non-executive Director	LIU Xiaolei	Independent Director
LIU Hui	Non-executive Director	ZHANG Ran	Independent Director
SHI Yongyan	Non-executive Director	KO Margaret	Independent Director

Notes:

1 The information listed in the above table pertains to the incumbent directors.

2 Mr. LIN Jingzhen ceased to serve as Executive Director, member of the Corporate Culture and Consumer Protection Committee and member of the Risk Policy Committee of the Board of Directors of the Bank as of 7 January 2025 due to the reason of age.

3 Mr. ZHANG Hui began to serve as Vice Chairman, Executive Director and member of the Strategic Development Committee of the Board of Directors of the Bank as of 8 January 2025.

4 Mr. LI Zimin began to serve as Non-executive Director and member of the Strategic Development Committee of the Board of Directors of the Bank as of 11 March 2025.

5 Ms. ZHANG Ran began to serve as Independent Director, member of the Audit Committee, member of the Risk Policy Committee and member of the Personnel and Remuneration Committee of the Board of Directors of the Bank as of 3 April 2025.

6 Ms. LOU Xiaohui began to serve as member of the Audit Committee of the Board of Directors of the Bank as of 3 April 2025. Ms. LOU Xiaohui began to serve as Vice Chair of the Audit Committee of the Board of Directors of the Bank as of 29 August 2025.

7 Ms. LIU Xiaolei began to serve as Independent Director of COFCO Capital Holdings Co., Ltd. as of 16 May 2025.

8 Mr. LIU Jin began to serve as Executive Director, member of the Strategic Development Committee and member of the Corporate Culture and Consumer Protection Committee of the Board of Directors of the Bank as of 3 June 2025.

9 Mr. ZHANG Jiangang ceased to serve as Non-executive Director, member of the Strategic Development Committee and member of the Audit Committee of the Board of Directors of the Bank as of 30 June 2025 due to the expiry of his term of office.

10 Mr. CHUI Sai Peng Jose ceased to serve as Independent Director, Chair and member of the Personnel and Remuneration Committee, member of the Corporate Culture and Consumer Protection Committee, member of the Risk Policy Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 30 June 2025 due to the expiry of his term of office.

11 Mr. Martin Cheung Kong LIAO ceased to serve as Independent Director, Chair and member of the Connected Transactions Control Committee, member of the Strategic Development Committee, member of the Audit Committee, and member of the Personnel and Remuneration Committee of the Board of Directors of the Bank as of 1 August 2025 due to the expiry of his term of office.

12 Ms. KO Margaret began to serve as Independent Director, Chair and member of the Personnel and Remuneration Committee, member of the Risk Policy Committee and member of the Connected Transactions Control Committee of the Board of Directors of the Bank as of 1 August 2025.

13 The shareholders' meeting of the Bank considered and approved the proposal on the election of Mr. WOO Chin Wan Raymond as Independent Director of the Bank. Such appointment is subject to the approvals of the relevant authorities.

14 During the reporting period, no incumbent director or director who left office during the reporting period held any share of the Bank.

Supervisors

Name	Position	Name	Position
WEI Hanguang	Employee Supervisor	HUI Ping	External Supervisor
JIA Xiangsen	External Supervisor	CHU Yiyun	External Supervisor

Notes:

1 The information listed in the above table pertains to the incumbent supervisors.

2 During the reporting period, no incumbent supervisor or supervisor who left office during the reporting period held any share of the Bank.

Senior Management Members

Name	Position	Name	Position
ZHANG Hui	Vice Chairman and President	YANG Jun	Executive Vice President
CAI Zhao	Executive Vice President	ZHAO Rong	Chief Risk Officer
WU Jian	Executive Vice President	ZHUO Chengwen	Secretary to the Board of Directors and Company Secretary

Notes:

1 The information listed in the above table pertains to the incumbent senior management members.

2 Mr. LIN Jingzhen ceased to serve as Executive Vice President of the Bank as of 7 January 2025 due to the reason of age.

3 Mr. WU Jian began to serve as Executive Vice President of the Bank as of 24 February 2025.

4 Mr. LIU Jin ceased to serve as Executive Vice President of the Bank as of 29 April 2025 due to position change.

5 Mr. ZHANG Xiaodong ceased to serve as Executive Vice President of the Bank as of 16 June 2025 due to job change.

6 Ms. MENG Qian ceased to serve as Chief Information Officer of the Bank as of 30 June 2025 due to the reason of age.

7 Mr. YANG Jun began to serve as Executive Vice President of the Bank as of 14 August 2025.

8 The Board of Directors of the Bank considered and approved the proposal on the appointment of Mr. LIU Chenggang as Executive Vice President of the Bank. Such appointment is subject to the approvals of relevant authorities.

9 During the reporting period, no incumbent senior management member or senior management member who left office during the reporting period held any share of the Bank.

Organisational Management, Human Resources Development and Management

Organisational Management

As at the end of June, the Bank had a total of 11,516 institutions worldwide, including 10,977 institutions in the Chinese mainland and 539 institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. Its commercial banking business in the Chinese mainland (including Head Office, tier-1 branches, direct branches, tier-2 branches and outlets) comprised 10,279 institutions, including 38 tier-1 and direct branches, 374 tier-2 branches and 9,866 outlets.

The geographical distribution of the institutions and employees of the Bank is set forth below:

Unit: RMB million/unit/person, except percentages

	Assets		Institutions		Employees	
Items	**Total assets**	**% of total**	**Number of institutions**	**% of total**	**Number of employees**	**% of total**
Northern China	11,533,490	29.88%	2,177	18.90%	67,712	21.81%
Northeastern China	1,206,042	3.12%	892	7.75%	22,587	7.27%
Eastern China	8,547,797	22.14%	3,463	30.07%	91,336	29.42%
Central and Southern China	6,073,156	15.73%	2,738	23.78%	65,860	21.21%
Western China	2,765,825	7.16%	1,707	14.82%	37,422	12.05%
Hong Kong (China), Macao (China) and Taiwan (China)	5,813,504	15.06%	396	3.44%	18,780	6.06%
Other countries and regions	2,669,806	6.91%	143	1.24%	6,778	2.18%
Elimination	(1,819,007)	–	–	–	–	–
Total	**36,790,613**	**100.00%**	**11,516**	**100.00%**	**310,475**	**100.00%**

Note: The proportion of geographical assets was calculated based on data before elimination.

Human Resources Development and Management

As at 30 June 2025, the Bank had 310,475 employees. There were 284,917 employees in the Chinese mainland, of which 271,442 worked in the Bank's commercial banking business in the Chinese mainland (including the Head Office, tier-1 branches, direct branches, and tier-2 branches and outlets), and 25,558 employees in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions. As at 30 June 2025, the Bank bore costs for a total of 4,165 retirees.

Focusing on the goal of building China into a financial powerhouse, the Bank has been committed to building a qualified and specialised team of financial talents who are politically upright, professionally competent and strictly disciplined in conduct. In studying and optimising the development of a professional talent team, the Bank strengthened talent allocation across multiple business lines such as front-office marketing and overseas custody, to provide strong support for implementing the "Five Major Tasks" and advancing high-quality development. The Bank implemented the employment-first strategy and launched spring campus recruitment, contributing its strength to stabilising employment. It continued to advance the building of a global talent team by dispatching more Head Office employees to overseas institutions and letting them work in more different roles, to enhance exchanges and capacity building, while reinforcing the development of local talent reserves and talent recruitment. As at the end of June, the Bank's employee remuneration policy saw no significant changes from that disclosed in the Bank's 2024 annual report.

The Bank systemically carried out political training and training programmes to enhance duty performance, conducted thematic training at different levels on the financial chapter of Xi Jinping Thought on Economy, emphasised the importance of the Party's theoretical framework and Party consciousness. It also conscientiously carried out learning and education campaigns on deepening the implementation of the Party's eight-point decision on improving work conduct, and assiduously promoted the normalisation and long-term effectiveness of Party discipline study and education. Further, it ensured the sound implementation of key training programmes on themes such as advancing the "Five Major Tasks", promoting high-level opening-up and forestalling and defusing financial risks. The Bank also enhanced top-level design, strengthened coordinated management, further improved the education and training system, and enabled the development and sharing of training resources, thereby making education and training more targeted and effective across the Bank.

Corporate Governance

The Bank takes excellent corporate governance as an important objective and consistently strives to improve the modern financial enterprise system with Chinese characteristics. It strictly follows the regulatory rules governing capital markets and industries, closely tracks changes and trends in overseas and domestic regulations, proactively explores innovative models and methods of corporate governance, and integrates the Party's leadership into its corporate governance improvement efforts, so as to continuously enhance its modern corporate governance capabilities.

During the reporting period, the Bank further improved its corporate governance mechanisms, continued to follow up and implement regulatory requirements regarding capital markets and the banking industry, actively re-examined and self-inspected its corporate governance policies, and comprehensively and systematically re-examined the Articles of Association and rules of procedures of each special committee of the Board of Directors.

The Board of Directors paid close attention to the continuous professional development of directors, organised research activities and training for directors and improved its communication mechanisms, thus continuously enhancing its decision-making efficiency and capability.

During the reporting period, the Bank continued to strengthen the protection of shareholders' rights, ensuring that shareholders were properly informed and entitled to participate and make decisions.

Corporate Governance Compliance

During the reporting period, the actual status of the Bank's corporate governance was consistent with the requirements of the laws, administrative regulations and CSRC regulations on the corporate governance of listed companies.

During the reporting period, the Bank strictly observed the *Corporate Governance Code* (the "*Code*") as set out in Appendix C1 to the Hong Kong Listing Rules. The Bank has complied with all the applicable provisions of the *Code* and adopted most of the recommended best practices set out in the *Code*.

Shareholders' Meeting

During the reporting period, the Bank held two shareholders' meetings. On 16 April 2025, the Bank held its 2025 First Extraordinary General Meeting on-site in Beijing. A Share holders could also cast votes online. The meeting considered and approved proposals regarding the General Mandate to Offer New Shares by the Bank, the Eligibility of the Bank for the Offering of A Shares to Specified Investors, the Plan of the Offering of A Shares to Specified Investors by the Bank, the Validation and Analysis Report of the Bank's Offering of A Shares to Specified Investors, the Feasibility Report on the Use of Proceeds from the Offering of A Shares to Specified Investors by the Bank, the Dilution of Immediate Returns from the Bank's Offering of A Shares to Specified Investors, Mitigation Measures, and Commitments by Relevant Entities, the Bank Signing *Conditional Shares Subscription Agreement* with Specified Investors, the Strategic Investment of the Ministry of Finance of the People's Republic of China in the Bank, the Bank's Shareholder Return Plan for the Next Three Years (2025-2027), the Authorization to the Board of Directors and Authorized Persons of the Board of Directors to handle the Specific Matters related to the Offering of A Shares to Specified Investors, the 2024 Profit Distribution Plan, and the Election of Mr. LIU Jin as Executive Director of the Bank, among others. The proposals regarding the General Mandate to Offer New Shares by the Bank, the Plan of the Offering of A Shares to Specified Investors by the Bank, the Validation and Analysis Report of the Bank's Offering of A Shares to Specified Investors, the Bank Signing *Conditional Shares Subscription Agreement* with Specified Investors, the Strategic Investment of the Ministry of Finance of the People's Republic of China in the Bank, and the Authorization to the Board of Directors and Authorized Persons of the Board of Directors to handle the Specific Matters related to the Offering of A Shares to Specified Investors were special resolutions, while the rest of the proposals were ordinary resolutions.

On 27 June 2025, the Bank held its 2024 Annual General Meeting on-site in Beijing and Hong Kong SAR via video link. A Share holders could also cast votes online. This meeting considered and approved proposals regarding the 2024 Work Report of the Board of Directors of Bank of China, the 2024 Work Report of the Board of Supervisors of Bank of China, the 2024 Annual Financial Report of Bank of China, the Fixed Asset Investment Budget of Bank of China for 2025, the Engagement of the Bank's External Auditor for 2025, the Election of Ms. KO Margaret as Independent Non-executive Director of the Bank, the Election of Mr. WOO Chin Wan Raymond as Independent Non-executive Director of the Bank, the Year 2025-2026 Financial Bond Issuance Plan of Bank of China, the Amendments to the *Articles of Association of Bank of China Limited*, the Amendments to the *Procedural Rules for the Shareholders' Meeting of Bank of China Limited*, the Amendments to the *Procedural Rules for the Board of Directors of Bank of China Limited*, and the Dissolution of the Board of Supervisors of Bank of China, among others. The meeting also heard the Report on the Management of Connected Transactions of Bank of China for 2024, the Duty Report of Independent Directors of Bank of China for 2024, the Evaluation Report on Major Shareholders (Substantial Shareholder) of Bank of China in 2024, and the Report on the Implementation of the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* for 2024. The proposals regarding the Year 2025-2026 Financial Bond Issuance Plan of Bank of China, the Amendments to the *Articles of Association of Bank of China Limited*, the Amendments to the *Procedural Rules for the Shareholders' Meeting of Bank of China Limited*, and the Amendments to the *Procedural Rules for the Board of Directors of Bank of China Limited* were special resolutions, while the rest of the proposals were ordinary resolutions.

The above-mentioned shareholders' meetings were convened and held in strict compliance with relevant laws and regulations as well as the listing rules of the Bank's listing exchanges. The Bank's directors, supervisors and senior management members attended the meetings and communicated with shareholders on issues of concern. The Bank published announcements on the resolutions and legal opinions of the aforementioned shareholders' meetings pursuant to the regulatory requirements in a timely manner. For details, please refer to the Bank's announcements published on the websites of the SSE, the HKEX and the Bank on 16 April 2025 and 27 June 2025.

Directors and the Board of Directors

Currently, the Board of Directors of the Bank comprises fourteen members. Besides the Chairman, there are two executive directors, six non-executive directors and five independent directors. The proportion of independent directors reaches one-third of the total number of directors, which is in compliance with the Articles of Association of the Bank and the relevant regulatory provisions. The positions of Chairman of the Board of Directors and President of the Bank are assumed by two persons.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's directors including their appointments during the reporting period is the same as that disclosed in the 2024 Annual Report of the Bank.

During the reporting period, the Bank convened six on-site meetings of the Board of Directors. At these meetings, the Board of Directors mainly considered and approved the Proposal on the Work Report of the Board of Directors of Bank of China Limited for 2024, Proposal on the Report on Internal Control Assessment of Bank of China Limited for 2024, Proposal on the Corporate Social Responsibility Report (ESG) of Bank of China Limited for 2024, Proposal on the 2024 Annual Report of Bank of China Limited, Proposal on the Re-engagement & Fees of External Auditors of Bank of China Limited for 2025, Proposal on the Plan of the Offering of A Shares to Specified Investors by Bank of China Limited, Proposal on the Year 2025-2026 Financial Bond Issuance Plan of Bank of China, and Proposal on Amendments to the *Articles of Association of Bank of China Limited*, among others.

The Board of Directors has set up the Strategic Development Committee, the Corporate Culture and Consumer Protection Committee, the Audit Committee, the Risk Policy Committee, the Personnel and Remuneration Committee, and the Connected Transactions Control Committee, as well as the US Risk and Management Committee under the Risk Policy Committee. All of these committees have been established to assist the Board of Directors in performing the functions under its authorisation. Independent directors individually serve as the Chairs of the Audit Committee and the Personnel and Remuneration Committee. The work performance of each special committee during the reporting period is set out below:

Special committee	Work performance
Strategic Development Committee	The committee held five on-site meetings. At these meetings, it reviewed the Proposal on the Business Plan and Financial Budget of Bank of China for 2025, Proposal on the Fixed Asset Investment Budget of Bank of China for 2025, Proposal on the Profit Distribution Plan of Bank of China Limited for 2024, Proposal on the Business Plan of SME Department of Bank of China Limited for 2025, Proposal on the Report on Green Finance Development for 2024 and Work Plan for 2025, Proposal on the Reform Plan of the Board of Supervisors of Bank of China, Proposal on the Plan of Enhancing Valuation and Improving Quality, Efficiency and Returns of Bank of China Limited, Proposal on the Plan of the Offering of A Shares to Specified Investors by Bank of China Limited, Proposal on the Year 2025-2026 Financial Bond Issuance Plan of Bank of China, and Proposal on Increasing Capital to Bank of China (Europe) of Bank of China Limited, among others.
Corporate Culture and Consumer Protection Committee	The committee held three on-site meetings. At these meetings, it reviewed the Proposal on the Corporate Social Responsibility Report (ESG) of Bank of China Limited for 2024, Proposal on the 2024 Work Summary of and 2025 Work Plan for Consumer Protection of Bank of China Limited, Proposal on the Report on the Findings in the Consumer Protection Audit and the Remediation of Problems of Bank of China Limited for 2024, Proposal on the Report on Complaints Circulated by Regulators and Complaint Management of Bank of China in 2024, Proposal on the Report on 2024 Internal Assessment Results for Consumer Protection of Bank of China, Proposal on the *Code for Employees of Bank of China Limited (Revised in 2025)* and the *Code of Conduct for Employees of Bank of China Limited (Revised in 2025)*, among others.

Special committee	Work performance
Audit Committee	The committee held three on-site meetings, and one meeting in the form of the circulation of written resolutions. At these meetings, it reviewed and approved the Proposal on the 2025 Internal Audit Plan and Financial Budget of Bank of China, among others, and reviewed the Proposal on the Re-engagement & Fees of External Auditors of Bank of China Limited for 2025, Proposal on the Audit Plan of External Auditors of Bank of China Limited for 2025, Proposal on the Financial Report of Bank of China Limited for 2024, Proposal on the Financial Report for the First Quarter of 2025, Proposal on the Report on Internal Control Assessment of Bank of China Limited for 2024, and Proposal on the Audit Results on Internal Control and Management Recommendations, among others.
Risk Policy Committee	The committee held four on-site meetings. At these meetings, it reviewed the Proposal on the *Risk Appetite Statement of Bank of China (Revised in 2025)*, Proposal on the 2024 Pillar 3 Disclosure Report of Bank of China Limited, Proposal on the Report on the Comprehensive Risk of BOC Group for 2024, Proposal on the *Policy for Interest Rate Risk in the Banking Book Management of Bank of China Limited (Revised in 2025)*, and Proposal on the ECL Model Key Parameters Update for Bank of China Limited for the First Half of 2025, among others.
Personnel and Remuneration Committee	The committee held three on-site meetings. At these meetings, it reviewed the Proposal on the Appointment of Mr. WU Jian as Executive Vice President of the Bank, Proposal on the Nomination of Mr. LIU Jin to Be Appointed as Executive Director of the Bank, Proposal on the Renewal of Directors', Supervisors' and Officers' Liability Insurance for 2025-2026 of Bank of China, Proposal on the Nomination of Mr. Giovanni TRIA to Be Re-appointed as Independent Non-executive Director of the Bank, Proposal on the Nomination of Mr. WOO Chin Wan Raymond as Candidate for Independent Non-executive Director of the Bank, Proposal on the Nomination of Ms. KO Margaret as Candidate for Independent Non-executive Director of the Bank, and Proposal on Adjustments to Chairpersons and Members of the Special Committees of the Board of Directors, among others.
Connected Transactions Control Committee	The committee held two on-site meetings. At these meetings, it reviewed the Proposal on the Report on the Management of Connected Transactions of Bank of China Limited for 2024, and Proposal on Signing Unified Transaction Agreements for Financial Markets Business with Eight Connected Parties including Bank of China (Hong Kong) Limited, BOC Malaysia et al., among others.

Supervisors and the Board of Supervisors

At present, the Board of Supervisors of the Bank comprises four members, with one employee supervisor and three external supervisors.

Save as disclosed in this report, to the best knowledge of the Bank, information regarding the Bank's supervisors including their appointments during the reporting period is the same as that disclosed in the 2024 Annual Report of the Bank.

During the reporting period, in accordance with applicable national laws and regulations, regulatory requirements and the Articles of Association of the Bank, the Board of Supervisors diligently performed its supervisory duties, continuously improving the quality and effectiveness of its supervision to support the Bank's high-quality development. **Standardised supervision of duty performance.** Supervisors attended shareholders' meetings and participated in meetings of the Board of Directors, relevant special committees and the Senior Management as non-voting attendees. The Board of Supervisors conducted research and reviews of documents and materials, monitored and oversaw the performance of directors and senior management members, and presented matters for consideration and offered relevant suggestions. To enhance its annual duty performance evaluation, the Board of Supervisors collected and analysed the annual duty performance reports of directors, supervisors and senior management members, earnestly conducted interviews with directors and senior management members on duty performance, and organised self-evaluations and peer reviews of supervisors' performance. Based on supervision of routine duty performance, the Board of Supervisors issued the 2024 annual evaluation opinions on the duty performance of the Board of Directors, the Senior Management and their members and the 2024 self-evaluation opinions on the duty performance of the Board of Supervisors, and reported these to the Bank's shareholders' meeting and regulatory authorities as required. **Earnestly fulfilled strategy and finance supervision duties.** The Board of Supervisors emphasised the Bank's role in supporting national strategies, promoting the implementation of the 14th Five-Year Plan and enhancing the Bank's global presence and international competitiveness, and advised the Bank to focus on the "Five Major Tasks" of financial work, step up the coordinated implementation of strategies, and enhance the capabilities to drive transformation. It heard quarterly reports on the Bank's operating results, conducted thorough reviews of the Bank's regular reports, and advised the Bank to uphold the market orientation and align functionality with profitability while serving national strategies and the real economy. It also strengthened the supervision of external auditors, urging them to strictly comply with audit procedures and enhance audit quality management. **Enhanced risk management and internal control supervision.** It focused on the implementation of national plans for preventing and resolving financial risks, and advised the Bank to enhance comprehensive risk management and improve the capacity to respond to external shocks. It kept a close eye on the weak links in internal control and case prevention, and advised the Bank to continuously strengthen internal control and compliance management in key areas and improve the long-term mechanisms for internal control and compliance assurance for overseas institutions. It also focused on the development of the Bank's financial infrastructure and advised the Bank to accelerate the realisation of IT autonomy and controllability, and to reinforce its network information security system. Furthermore, the Board of Supervisors monitored the implementation of its recommendations, facilitating the effective application of its supervisory results.

During the reporting period, the Bank convened three on-site meetings of the Board of Supervisors and two meetings via written resolutions. At these meetings, the Board of Supervisors reviewed and approved 33 proposals, including the Bank's 2024 annual report, 2025 first quarter report, profit distribution plan for 2024, corporate social responsibility report (ESG) for 2024, report on internal control assessment for 2024, work report of the Board of Supervisors for 2024, evaluation opinions of the Board of Supervisors on the duty performance of the Board of Directors, the Senior Management and their members for 2024 and self-evaluation opinions on the duty performance of the Board of Supervisors, performance assessment results and remuneration distribution plan for external supervisors, the Bank's eligibility for the offering of A Shares to specified investors, the plan of the offering of A Shares to specified investors, the validation and analysis report for the offering of A Shares to specified investors, the proposal for the offering of A Shares to specified investors, the feasibility report on the use of proceeds from the offering of A Shares to specified investors, the dilution of immediate returns from the offering of A Shares to specified investors, mitigation measures, and commitments by relevant entities, the Bank's signing of the conditional shares subscription agreement with specified investors, the strategic investment of the Ministry of Finance of the People's Republic of China in the Bank, and the Bank's shareholder return plan for the next three years (2025-2027), as well as the Board of Supervisors' supervision and evaluation opinions regarding the Bank's performance in strategy implementation, capital management and the management of advanced approaches for capital measurement, expected credit loss (ECL) approach management, liquidity risk management, operational risk management, internal audit, financial reports consolidation management, stress test management, data governance management, anti-money laundering management, internal control and compliance, case prevention, reputational risk management, information disclosure, remuneration management and employee behaviour management. The Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors of the Bank held two on-site meetings and two meetings via written resolutions, and the Finance and Internal Control Supervision Committee of the Board of Supervisors of the Bank held three on-site meetings to conduct preliminary discussions on relevant proposals.

During the reporting period, the External Supervisors of the Bank, Mr. JIA Xiangsen, Mr. HUI Ping and Mr. CHU Yiyun, performed their supervisory duties in strict accordance with the provisions of the Articles of Association of the Bank. They attended all meetings of the Board of Supervisors and its special committees in person during the reporting period, conducted research and reviews of documents and materials, and participated in research and decision-making regarding the matters for deliberation of the Board of Supervisors. During the reporting period, they attended all shareholders' meetings in person and actively participated in meetings of the Board of Directors and relevant special committees as non-voting attendees, playing a constructive role in improving the Bank's corporate governance and operational management.

Senior Management

During the reporting period, the Senior Management of the Bank managed the Bank's operations in accordance with the powers bestowed upon it by the Articles of Association and the authorisations of the Board of Directors. In accordance with the operation and management objectives approved by the Board of Directors, the Senior Management formulated business plans, operation strategies and management measures, made every effort to serve the real economy, prevent and control financial risks, and promote reform and innovation. They invited directors and supervisors to attend important meetings and major activities, listened to their opinions and suggestions, and maintained close communication with the Board of Directors and the Board of Supervisors, continuously improving the quality and efficiency of the Bank's operations and management. As a result, all work was carried out smoothly and the Group realised steady operating results.

During the reporting period, the Senior Management of the Bank focused on key operational and management areas and discussed and decided upon a series of matters, including the Group's business development, globalised development, integrated operations, IT development, consumer rights protection, technology finance, green finance, inclusive finance, pension finance, digital finance, and the prevention and mitigation of financial risks, as well as specific work in the Group's corporate banking, personal banking, financial markets, channel development and risk compliance.

During the reporting period, the former Risk Management and Internal Control Committee was restructured and divided into the Comprehensive Risk Management Committee and the Internal Control and Compliance Committee, responsible for the coordination and professional decision-making of the Group's comprehensive risk management, and internal control and compliance, respectively. The Securities Investment and Management Committee under the Senior Management was restructured into a special committee under the Comprehensive Risk Management Committee, and the Cross-border Finance Committee was abolished. At present, the Senior Management comprises the Asset and Liability Management Committee, the Comprehensive Risk Management Committee (which governs the Credit Risk Management and Decision-making Committee, the Asset Disposal Committee and the Securities Investment and Management Committee), the Internal Control and Compliance Committee (which governs the Anti-money Laundering Committee and the Related Party Transactions Management Office), the Centralised Procurement Management Committee, the Asset Management Business Committee, the Consumer Protection Committee, the Technology Finance Committee, the Green Finance Committee, the Inclusive Finance Committee, the Pension Finance Committee, and the Digital Finance Committee. During the reporting period, all of the committees diligently fulfilled their duties and responsibilities as per the powers specified in their committee charters, and pushed forward the sound development of the Bank's various operations.

Implementation of the Plan of Enhancing Valuation and Improving Quality, Efficiency and Returns

To earnestly implement the *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting the High-quality Development of the Capital Market* issued by the State Council and the *Regulatory Guidelines No. 10 of Listed Companies – Market Value Management* issued by the CSRC, as well as to actively respond to the *Initiative to SSE-listed Companies to Launch Special Action of "Improving Quality, Enhancing Efficiency and Focusing on Returns"* proposed by the SSE, the Bank formulated and carried out its market value management measures and plan of enhancing valuation and improving quality, efficiency and returns. Building on corporate quality improvement, the Bank focused on prudent operations and adhered to high-quality development. It remained fully committed to serving national strategies and social wellbeing, continuously enhancing its operational efficiency and value creation capabilities, accelerating efforts to improve its global presence and international competitiveness, and effectively balancing development with security (for details, please refer to the section "Management Discussion and Analysis"). The Bank is dedicated to creating value for its shareholders and enhancing investor returns. In recent years, the dividend payout ratio has remained at the relatively high level of 30%. In 2024, the Bank initiated its interim dividend distribution programme for the first time, and completed both 2024 interim dividend distribution and 2024 final dividend distribution in the first half of 2025, allowing investors to share its operational results in time. It proactively conducted multi-level, multi-channel investor communications, actively organised regular results release briefings and themed meetings, and professionally answered enquiries from investor hotline, e-mail and the "SSE e-interaction online platform", earnestly gathering and responding to market concerns and expectations. Further, the Bank adhered to the bottom line of compliant information disclosure, continued to improve the transparency and accuracy of information, and fully conveyed the Bank's investment value.

Formulation and Implementation of Profit Distribution Policy

Ordinary Shares

The Articles of Association of the Bank states that the Bank should maintain the continuity and stability of its profit distribution policy. It also clarifies the Bank's profit distribution principles, policy and adjustment procedures, the consideration process of the profit distribution plan and other matters. The Bank shall adopt cash dividend as the priority form of profit distribution. Except under special circumstances, the Bank shall adopt cash as the form of dividend distribution where there is profit in that year and the accumulated undistributed profit is positive, and the cash distribution of the dividend shall not be less than 10% of the profit after tax attributable to the ordinary shareholders of the Bank. The Bank shall offer online voting to shareholders when considering amendments to the profit distribution policy and profit distribution plan.

The procedure to formulate the aforementioned profit distribution policy was compliant and transparent, and the decision procedure was complete. The criterion and ratio of the dividend were explicit and clear. The independent directors fully expressed their opinions and the legitimate rights and interests of minority shareholders were fully respected and protected. In these regards, it was in line with the provisions of the Articles of Association and other rules and regulations.

Preference Shares

The preference shareholders of the Bank receive dividend at the specified dividend rate prior to the ordinary shareholders. The Bank shall pay the dividend to the preference shareholders in cash. The Bank shall not distribute the dividends on ordinary shares before all the dividends on preference shares have been paid.

Dividend on the Bank's preference shares will be distributed on an annual basis. Once the preference shareholders have received dividends at the specified dividend rate, they shall not be entitled to participate in the distribution of the remaining profits of the Bank together with the ordinary shareholders.

The preference share dividend is non-cumulative. If any preference share dividend for any dividend period is not paid in full, such remaining amount of dividend shall not be carried forward to the following dividend year. The Bank shall be entitled to cancel the payment of any dividend on the preference shares, and such cancellation shall not constitute a default. The Bank may at its discretion use the funds arising from the cancellation of such dividend payment to repay other indebtedness due and payable.

Dividend payments are independent of the Bank's credit rating, nor do they vary with the credit rating.

Implementation of Profit Distribution

As considered and approved by the 2024 Third Extraordinary General Meeting, the Bank distributed the 2024 interim dividend of RMB1.208 per ten shares (before tax) to ordinary shareholders, amounting to approximately RMB35.562 billion (before tax) in total. The dividend distribution plan has been accomplished.

As considered and approved by the 2025 First Extraordinary General Meeting, the Bank distributed the 2024 final dividend of RMB1.216 per ten shares (before tax) to ordinary shareholders, amounting to approximately RMB35.798 billion (before tax) in total. The dividend distribution plan has been accomplished. The Bank did not propose any capitalisation of capital reserve into share capital.

The Board of Directors of the Bank has recommended an interim dividend on ordinary shares for 2025 of RMB1.094 per ten shares (before tax), subject to the approval of the shareholders' meeting. If approved, the interim dividend on the Bank's ordinary shares for 2025 will be denominated and declared in RMB and paid in RMB or equivalent Hong Kong dollars (HKD). The actual amount distributed in HKD will be calculated according to the average of market prices of HKD to RMB announced by China Foreign Exchange Trade System at 11:00 every day during five working days before the date when shareholders begin to choose a currency (the date itself excluded).

At the 2024 fourth meeting of the Board of Directors, the dividend distribution plan for the Bank's Offshore Preference Shares (Second Tranche) was considered and approved. The Bank distributed dividends on the Offshore Preference Shares (Second Tranche) on 4 March 2025. According to the Bank's issuance terms of the Offshore Preference Shares (Second Tranche), dividends on Offshore Preference Shares (Second Tranche) were paid in US dollars, with a total of approximately USD101.52 million (after tax) at an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

At the 2025 fifth meeting of the Board of Directors, the dividend distribution plans for the Bank's Domestic Preference Shares (Third Tranche and Fourth Tranche) were considered and approved. The Bank distributed a total of RMB2.5404 billion (before tax) of dividends on the Domestic Preference Shares (Third Tranche) on 27 June 2025, with an annual dividend rate of 3.48% (before tax). The Bank distributed a total of RMB882.9 million (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 29 August 2025, with an annual dividend rate of 3.27% (before tax). The dividend distribution plans have been accomplished.

For details of the above-mentioned profit distributions, please refer to the Bank's announcements published on the websites of the SSE, the HKEX and the Bank. For other profit distribution during the reporting period, please refer to the Notes to the Condensed Consolidated Interim Financial Statements.

Implementation of Stock Incentive Plan and Employee Stock Ownership Plan

The Bank approved a long-term incentive policy, including the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan, at the meeting of the Board of Directors and the Extraordinary General Meeting held in November 2005. To date, the Management Stock Appreciation Rights Plan and the Employee Stock Ownership Plan have not been implemented.

Significant Events

Purchase and Sale of Material Assets

During the reporting period, the Bank did not undertake any purchase and sale of material assets that is required to be disclosed.

Material Litigation and Arbitration

The Bank was involved in certain litigation and arbitration cases in the regular course of its business. Given the range and scale of its international presence, the Bank may be involved in a variety of litigation, arbitration and judicial proceedings within different jurisdictions in the course of its regular business operations in different countries and regions across the world, and the ultimate outcomes of these proceedings involve various levels of uncertainty. Based upon the opinions of internal and external legal counsels, the Senior Management of the Bank believes that, at the current stage, these matters will not have a material impact on the financial position or operating results of the Bank. Should the ultimate outcomes of these matters differ from the initially estimated amounts, such differences will impact the profit or loss in the period during which such a determination is made.

Significant Connected Transactions

At the Second Meeting of the Board of Directors of the Bank in 2025, the Proposal on *Signing Unified Transaction Agreements with Eight Connected Parties Including BOCHK, BOC Malaysia, et al.* was reviewed and approved. The Board of Directors agreed the Bank to sign unified transaction agreements with BOCHK and other connected parties. On 1 April, 2025, the Bank completed the signing of the agreements with three connected parties, namely BOCHK, Bank of China (Macau) Limited, and Bank of China (Malaysia) Berhad. The agreements will be valid for one year.

The Bank had no other significant connected transactions during the reporting period. For details of the related party transactions as defined by the relevant accounting standards by the end of the reporting period, please refer to Note III. 31 of the Condensed Consolidated Interim Financial Statements.

Major Contracts and Enforcement thereof

Material Custody, Sub-contracts and Leases

During the reporting period, the Bank did not enter into, or allow to subsist any significant custody of, sub-contract or lease assets from other companies, or allow its material business assets to be subject to such arrangements, in each case that is required to be disclosed.

Material Guarantee Business

As approved by the PBOC and the NFRA, the Bank's guarantee business is an off-balance sheet item in the ordinary course of its business. The Bank operates its guarantee business in a prudent manner and has formulated specific management measures, operational processes and approval procedures in respect of the risks of guarantee business and carries out this business accordingly. During the reporting period, save as disclosed above, the Bank did not enter into or allow to subsist any material guarantee business that is required to be disclosed.

During the reporting period, there was no violation of laws, administrative regulations or rules of the CSRC in the Bank's guarantee business.

Other Major Contracts

During the reporting period, the Bank did not enter into or allow to subsist any other major contract that is required to be disclosed.

Undertakings

The controlling shareholder, directors, and senior management members of the Bank made commitments on the effective implementation of mitigation measures for the dilution of immediate returns when the Bank offered A Shares to specified investors. The MOF made commitments regarding share lock-up matters when subscribing to the Bank's shares. As of 30 June 2025, the controlling shareholder, directors, senior management members, and the MOF strictly observed and did not breach such undertakings.

During the reporting period, there was no undertaking that had been fulfilled by the Bank. As at the end of the reporting period, there was no undertaking that the Bank had failed to fulfil.

Disciplinary Actions Imposed on the Bank, its Directors, Supervisors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its directors, supervisors, senior management members or controlling shareholder was subject to compulsory measures due to alleged crimes, subject to criminal punishment, investigated by the CSRC due to potential violation of laws and regulations or subject to administrative punishment by the CSRC, or had material administrative punishment imposed on them by other competent authorities. None of the directors, supervisors, senior management members or controlling shareholder was detained by disciplinary inspection and supervision authorities due to any potential material breach of laws, disciplinary regulations or duty crimes, nor did any such matter affect their duty performance. None of the directors, supervisors or senior management members was subject to compulsory measures by other competent authorities due to potential violation of laws and regulations, which may affect their duty performance.

Misappropriation of Funds for Non-operating Purposes by Controlling Shareholder and Other Related Parties

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes.

Use of Raised Funds

The proceeds from all previous issuances of capital instruments by the Bank have been fully used to replenish the Bank's capital and increase the level of its capital adequacy, in accordance with the purposes specified in the offering plans and other documents disclosed by the Bank.

For details, please refer to the announcements published on the websites of the SSE, the HKEX and the Bank, and the Notes to the Condensed Consolidated Interim Financial Statements.

Purchase, Sale or Redemption of the Bank's Shares

For information on the Bank's redemption of its Offshore Preference Shares (Second Tranche), please refer to the section "Changes in Shares and Shareholdings of Shareholders". During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold, or redeemed any of the Bank's shares other than as disclosed.

Audit Committee

The Audit Committee of the Bank comprises five members, including Non-executive Directors Mr. ZHANG Yong and Ms. LOU Xiaohui, Independent Directors Mr. Giovanni TRIA, Ms. LIU Xiaolei and Ms. ZHANG Ran. Independent Director Ms. LIU Xiaolei serves as the Chair of the committee, and Non-executive

Director Ms. LOU Xiaohui serves as the Vice Chair of the committee. Following the principle of independence, the committee assists the Board of Directors in supervising the financial reports, internal control, internal audit and external audit of the Group.

The Audit Committee has reviewed the interim results of the Bank. The external auditor of the Bank has reviewed the Interim Financial Statements in accordance with the *International Standard on Review Engagements 2410*. The committee has considered the financial statements in light of accounting standards, accounting policies and practices, internal control and financial reporting.

Appointment of External Auditors

The Bank has decided to engage Ernst & Young Hua Ming LLP as its domestic auditor and external auditor for internal control audit for 2025 to provide auditing services for the Bank's financial statements and internal control in accordance with Chinese Standards on Auditing. The Bank has decided to engage Ernst & Young as its international auditor for 2025 to provide auditing services for the Bank's financial statements in accordance with International Standards on Auditing.

Directors' and Supervisors' Rights to Acquire Shares

During the reporting period, none of the Bank, its holding companies, or any of its subsidiaries or fellow subsidiaries was party to any arrangements that would enable the Bank's directors and supervisors, or their respective spouses or children below the age of 18, to benefit by acquiring shares in, or debentures of, the Bank or any other legal entity.

Directors' and Supervisors' Interests in Shares, Underlying Shares and Debentures

To the best knowledge of the Bank, as at 30 June 2025, none of the directors or supervisors of the Bank or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Bank pursuant to Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "*Model Code*") as set out in Appendix C3 of the Hong Kong Listing Rules.

Securities Transactions by Directors and Supervisors

Pursuant to domestic and overseas securities regulatory requirements, the Bank formulated and implemented the *Management Measures on Securities Transactions by Directors, Supervisors and Senior Management Personnel of Bank of China Limited* (the "*Management Rules*") to govern securities transactions by directors, supervisors and senior management members of the Bank. The terms of the *Management Rules* are more stringent than the mandatory standards set out in the *Model Code*. All the directors and supervisors of the Bank have confirmed that they have complied with the standards set out in both the *Management Rules* and the *Model Code* throughout the reporting period.

Integrity of the Bank and its Controlling Shareholder

During the reporting period, neither the Bank nor its controlling shareholder failed to perform any obligations from effective legal instruments of the court or pay off any due debt in large amount.

Other Significant Events

For announcements regarding other significant events made in accordance with the regulatory requirements during the reporting period, please refer to the websites of the SSE, the HKEX and the Bank.

Interim Report

You may write to the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, China) to request the interim report prepared under IFRS Accounting Standards or visit the Bank's office address for copies prepared under CAS. The Chinese and/or English versions of this interim report are also available on the following websites: www.boc.cn, www.bankofchina.com, www.sse.com.cn and www.hkexnews.hk.

Should you have any queries about how to obtain copies of this interim report or access the document on the Bank's website, please contact the Bank's H-Share Registrar at (852) 2862 8688 or the Bank's hotline at (86) 10-6659 2638.

Independent Review Report

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

To the Board of Directors of Bank of China Limited
(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 112 to 210, which comprises the condensed consolidated interim statement of financial position of Bank of China Limited (the "Bank") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the notes to the condensed consolidated interim financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
29 August 2025

Interim Financial Information

CONTENTS

Condensed Consolidated Interim Statement of Profit or Loss

For the six month period ended 30 June 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six month period ended 30 June	
		2025 Unaudited	2024 Unaudited
Interest income	III.1	**503,331**	542,994
Interest expense	III.1	**(288,515)**	(316,234)
Net interest income		**214,816**	226,760
Fee and commission income	III.2	**53,109**	49,755
Fee and commission expense	III.2	**(6,318)**	(6,895)
Net fee and commission income		**46,791**	42,860
Net trading gains	III.3	**28,188**	14,480
Net gains on transfers of financial assets	III.4	**4,841**	4,479
Other operating income	III.5	**34,782**	29,350
Operating income		**329,418**	317,929
Operating expenses	III.6	**(119,496)**	(108,290)
Credit impairment losses	III.8	**(56,517)**	(60,518)
Impairment losses on other assets		**(985)**	(61)
Operating profit		**152,420**	149,060
Share of results of associates and joint ventures		**598**	143
Profit before income tax		**153,018**	149,203
Income tax expense	III.9	**(26,880)**	(22,667)
Profit for the period		**126,138**	126,536
Attributable to:			
Equity holders of the Bank		**117,591**	118,601
Non-controlling interests		**8,547**	7,935
		126,138	126,536
Earnings per share (in RMB)	III.10		
— Basic		**0.36**	0.36
— Diluted		**0.36**	0.36

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six month period ended 30 June 2025 (Amounts in millions of Renminbi, unless otherwise stated)

		Six month period ended 30 June	
	Note	2025 Unaudited	2024 Unaudited
Profit for the period		**126,138**	126,536
Other comprehensive income:	III.11		
Items that will not be reclassified to profit or loss			
— Actuarial gains/(losses) on defined benefit plans		**14**	(10)
— Changes in fair value on equity instruments designated at fair value through other comprehensive income		**(532)**	1,828
— Other		**(17)**	48
Subtotal		**(535)**	1,866
Items that may be reclassified to profit or loss			
— Changes in fair value on debt instruments measured at fair value through other comprehensive income		**(1,275)**	24,206
— Allowance for credit losses on debt instruments measured at fair value through other comprehensive income		**(1,567)**	(658)
— Finance expenses from insurance contracts issued		**(3,418)**	(4,543)
— Exchange differences from the translation of foreign operations		**430**	1,209
— Other		**273**	191
Subtotal		**(5,557)**	20,405
Other comprehensive income for the period, net of tax		**(6,092)**	22,271
Total comprehensive income for the period		**120,046**	148,807
Total comprehensive income attributable to:			
Equity holders of the Bank		**112,117**	142,140
Non-controlling interests		**7,929**	6,667
		120,046	148,807

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	As at 30 June 2025 Unaudited	As at 31 December 2024 Audited
ASSETS			
Cash and due from banks and other financial institutions	III.12	**547,996**	582,448
Balances with central banks	III.13	**2,268,227**	2,467,857
Placements with and loans to banks and other financial institutions	III.14	**1,162,905**	1,442,072
Government certificates of indebtedness for bank notes issued		**224,595**	217,405
Precious metals		**138,345**	179,635
Derivative financial assets	III.15	**142,647**	183,177
Loans and advances to customers, net	III.16	**22,488,178**	21,055,282
Financial investments	III.17	**9,225,800**	8,360,277
— Financial assets at fair value through profit or loss		**704,924**	600,297
— Financial assets at fair value through other comprehensive income		**4,714,382**	4,388,945
— Financial assets at amortised cost		**3,806,494**	3,371,035
Investments in associates and joint ventures		**41,351**	40,972
Property and equipment	III.18	**220,155**	223,905
Construction in progress	III.19	**23,889**	21,717
Investment properties	III.20	**21,531**	22,431
Deferred income tax assets	III.25	**64,690**	62,691
Other assets	III.21	**220,304**	201,430
Total assets		**36,790,613**	35,061,299

The accompanying notes form an integral part of this interim financial information.

	Note	As at 30 June 2025 Unaudited	As at 31 December 2024 Audited
LIABILITIES			
Due to banks and other financial institutions		**2,643,690**	2,933,752
Due to central banks		**1,545,134**	1,112,016
Bank notes in circulation		**224,601**	217,415
Placements from banks and other financial institutions		**532,893**	607,201
Financial liabilities held for trading	III.22	**56,411**	57,604
Derivative financial liabilities	III.15	**132,010**	153,456
Due to customers	III.23	**25,638,312**	24,202,588
Bonds issued	III.24	**2,152,547**	2,056,549
Other borrowings		**55,333**	42,961
Current tax liabilities		**26,953**	29,021
Retirement benefit obligations		**1,519**	1,594
Deferred income tax liabilities	III.25	**9,639**	9,130
Other liabilities	III.26	**645,906**	685,048
Total liabilities		**33,664,948**	32,108,335
EQUITY			
Capital and reserves attributable to equity holders of the Bank			
Share capital	III.27.1	**322,212**	294,388
Other equity instruments	III.27.3	**349,942**	409,513
— Preference shares		**99,969**	119,550
— Perpetual bonds		**249,973**	289,963
Capital reserve	III.27.2	**272,265**	135,768
Other comprehensive income	III.11	**89,319**	95,268
Statutory reserves		**279,579**	279,006
General and regulatory reserves		**414,534**	414,638
Undistributed profits		**1,259,739**	1,187,650
		2,987,590	2,816,231
Non-controlling interests		**138,075**	136,733
Total equity		**3,125,665**	2,952,964
Total equity and liabilities		**36,790,613**	35,061,299

Approved and authorised for issue by the Board of Directors on 29 August 2025.

The accompanying notes form an integral part of this interim financial information.

GE Haijiao
Director

ZHANG Hui
Director

Condensed Consolidated Interim Statement of Changes in Equity

For the six month period ended 30 June 2025 (Amounts in millions of Renminbi, unless otherwise stated)

		Attributable to equity holders of the Bank										
			Other equity instruments									
	Note	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Non-controlling interests	Total
As at 1 January 2025		294,388	119,550	289,963	135,768	95,268	279,006	414,638	1,187,650	136,733	2,952,964
Total comprehensive income	III.11	-	-	-	-	(5,474)	-	-	117,591	7,929	120,046
Issue of shares	III.27.1	27,824	-	-	137,128	-	-	-	-	-	164,952
Capital reduction by other equity instruments holders	III.27.3	-	(19,581)	(39,990)	(659)	-	-	-	-	-	(60,230)
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	91	91
Capital contribution and reduction by non-controlling shareholders		-	-	-	(5)	-	-	-	-	(286)	(291)
Appropriation to statutory reserves		-	-	-	-	-	573	-	(573)	-	-
Appropriation to general and regulatory reserves		-	-	-	-	-	-	(104)	104	-	-
Dividends	III.28	-	-	-	-	-	-	-	(45,508)	(6,404)	(51,912)
Other comprehensive income transferred to retained earnings		-	-	-	-	(475)	-	-	475	-	-
Other		-	-	-	33	-	-	-	-	12	45
As at 30 June 2025 (Unaudited)		322,212	99,969	249,973	272,265	89,319	279,579	414,534	1,259,739	138,075	3,125,665

The accompanying notes form an integral part of this interim financial information.

		Attributable to equity holders of the Bank									
			Other equity instruments								
	Note	Share capital	Preference shares	Perpetual bonds	Capital reserve	Other comprehensive income	Statutory reserves	General and regulatory reserves	Undistributed profits	Non-controlling interests	Total
As at 1 January 2024		294,388	119,550	279,955	135,736	34,719	256,729	379,285	1,129,148	127,305	2,756,815
Total comprehensive income	III.11	–	–	–	–	23,539	–	–	118,601	6,667	148,807
Capital reduction by other equity instruments holders		–	–	(39,992)	(8)	–	–	–	–	–	(40,000)
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	690	690
Capital reduction by non-controlling shareholders		–	–	–	–	–	–	–	–	(3)	(3)
Appropriation to statutory reserves		–	–	–	–	–	652	–	(652)	–	–
Appropriation to general and regulatory reserves		–	–	–	–	–	–	(121)	121	–	–
Dividends		–	–	–	–	–	–	–	(82,860)	(4,535)	(87,395)
Other comprehensive income transferred to retained earnings		–	–	–	–	131	–	–	(131)	–	–
Other		–	–	–	31	–	–	–	–	31	62
As at 30 June 2024 (Unaudited)		294,388	119,550	239,963	135,759	58,389	257,381	379,164	1,164,227	130,155	2,778,976
Total comprehensive income		–	–	–	–	36,756	–	–	119,240	9,209	165,205
Capital contribution by other equity instruments holders		–	–	50,000	(4)	–	–	–	–	–	49,996
Capital reduction by non-controlling shareholders		–	–	–	15	–	–	–	–	(51)	(36)
Appropriation to statutory reserves		–	–	–	–	–	21,625	–	(21,625)	–	–
Appropriation to general and regulatory reserves		–	–	–	–	–	–	35,474	(35,474)	–	–
Dividends		–	–	–	–	–	–	–	(38,595)	(2,561)	(41,156)
Other comprehensive income transferred to retained earnings		–	–	–	–	123	–	–	(123)	–	–
Other		–	–	–	(2)	–	–	–	–	(19)	(21)
As at 31 December 2024 (Audited)		294,388	119,550	289,963	135,768	95,268	279,006	414,638	1,187,650	136,733	2,952,964

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six month period ended 30 June 2025 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six month period ended 30 June	
		2025 Unaudited	2024 Unaudited
Cash flows from operating activities			
Profit before income tax		**153,018**	149,203
Adjustments:			
Impairment losses on assets		**57,502**	60,579
Depreciation of property and equipment and right-of-use assets		**10,571**	10,738
Amortisation of intangible assets and other assets		**3,316**	3,839
Net gains on disposals of property and equipment, intangible assets and other long-term assets		**(664)**	(759)
Net losses on disposals of investments in subsidiaries, associates and joint ventures		**153**	2
Share of results of associates and joint ventures		**(598)**	(143)
Interest income arising from financial investments		**(115,527)**	(106,052)
Dividends arising from investment securities		**(224)**	(124)
Net gains on financial investments		**(4,545)**	(3,962)
Interest expense arising from bonds issued		**25,986**	28,493
Accreted interest on impaired loans		**(587)**	(574)
Interest expense arising from lease liabilities		**275**	318
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		**36,617**	17,629
Net increase in due from and placements with and loans to banks and other financial institutions		**(42,977)**	(10,984)
Net decrease/(increase) in precious metals		**41,303**	(41,652)
Net increase in loans and advances to customers		**(1,504,725)**	(1,198,218)
Net increase in other assets		**(100,220)**	(73,644)
Net (decrease)/increase in due to banks and other financial institutions		**(286,967)**	530,074
Net increase/(decrease) in due to central banks		**431,413**	(216,410)
Net (decrease)/increase in placements from banks and other financial institutions		**(74,001)**	43,027
Net increase in due to customers		**1,432,694**	712,564
Net increase in other borrowings		**12,372**	2,893
Net (decrease)/increase in other liabilities		**(12,165)**	80,452
Cash inflow/(outflow) from operating activities		**62,020**	(12,711)
Income tax paid		**(28,381)**	(53,735)
Net cash inflow/(outflow) from operating activities		**33,639**	(66,446)

The accompanying notes form an integral part of this interim financial information.

	Note	Six month period ended 30 June	
		2025	**2024**
		Unaudited	**Unaudited**
Cash flows from investing activities			
Proceeds from disposals of property and equipment, intangible assets and other long-term assets		**5,691**	3,484
Proceeds from disposals of investments in subsidiaries, associates and joint ventures		**870**	55
Dividends received		**430**	233
Interest income received from financial investments		**113,089**	105,811
Proceeds from disposals/maturities of financial investments		**2,796,195**	2,043,637
Increase in investments in subsidiaries, associates and joint ventures		**(2,045)**	(107)
Purchase of property and equipment, intangible assets and other long-term assets		**(16,508)**	(6,415)
Purchase of financial investments		**(3,545,382)**	(2,308,322)
Other net cash flows from investing activities		**–**	2,537
Net cash outflow from investing activities		**(647,660)**	(159,087)
Cash flows from financing activities			
Proceeds from issuance of bonds		**956,824**	688,602
Proceeds from issuance of ordinary shares		**164,952**	–
Proceeds from issuance of other equity instruments		**1,990**	–
Repayments of debts issued		**(871,788)**	(444,536)
Cash payments for interest on bonds issued		**(15,448)**	(10,898)
Repayments of other equity instruments issued		**(62,486)**	(40,000)
Dividend payments to ordinary shareholders		**(71,360)**	–
Dividend and interest payments to other equity instrument holders		**(9,557)**	(12,090)
Dividend payments to non-controlling shareholders		**(1,781)**	(800)
Other net cash flows from financing activities		**(3,747)**	(3,166)
Net cash inflow from financing activities		**87,599**	177,112
Effect of exchange rate changes on cash and cash equivalents		**40,238**	(7,474)
Net decrease in cash and cash equivalents		**(486,184)**	(55,895)
Cash and cash equivalents at beginning of the period		**2,368,929**	2,516,725
Cash and cash equivalents at end of the period	III.30	**1,882,745**	2,460,830
Net cash flows from operating activities include:			
Interest received		**412,093**	454,709
Interest paid		**(261,196)**	(273,898)

The accompanying notes form an integral part of this interim financial information.

(Amounts in millions of Renminbi, unless otherwise stated)

I BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited interim financial information for the six month period ended 30 June 2025 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

Except as described below, the accounting policies adopted in the preparation of the unaudited interim financial information are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2024.

1 Standards and amendments effective in 2025 relevant to and adopted by the Group

On 1 January 2025, the Group adopted the following amended IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), which has been mandatorily effective for the current interim period:

Amendments to IAS 21	*Lack of Exchangeability*

The description of the above amendment updates has been disclosed in the 2024 Group's consolidated financial statements. The adoption of the above amendments does not have any significant impact on the operating results, comprehensive income and financial position of the Group for the six month period ended 30 June 2025.

I BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2 Standards and amendments that are not yet effective in the current interim period and have not been adopted before their effective dates by the Group in 2025

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements	*Annual Improvements to IFRS Accounting Standards-Volume 11*	1 January 2026
IFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date has been deferred indefinitely

The adoption of the above standards and amendments will not expect to have significant impact on the operating results, comprehensive income and financial position of the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

II CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The critical accounting estimates and judgements made by the Group in this reporting period are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2024.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS

1 Net interest income

	Six month period ended 30 June	
	2025	**2024**
Interest income		
Loans and advances to customers		
— Corporate loans and advances	**226,909**	248,154
— Personal loans	**107,442**	127,218
— Discounted bills	**5,000**	3,644
Financial investments		
— Financial assets at fair value through other comprehensive income	**62,559**	53,029
— Financial assets at amortised cost	**52,968**	53,023
Due from and placements with and loans to banks and other financial institutions and central banks	**48,453**	57,926
Subtotal	**503,331**	542,994
Interest expense		
Due to customers	**(210,531)**	(236,382)
Due to and placements from banks and other financial institutions	**(50,981)**	(50,482)
Bonds issued and other	**(27,003)**	(29,370)
Subtotal	**(288,515)**	(316,234)
Net interest income	**214,816**	226,760

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

2 Net fee and commission income

	Six month period ended 30 June	
	2025	**2024**
Agency commissions	**14,479**	11,702
Settlement and clearing fees	**9,210**	9,255
Bank card fees	**7,075**	6,809
Consultancy and advisory fees	**6,427**	6,406
Credit commitment fees	**5,239**	5,555
Custodian and other fiduciary service fees	**3,749**	3,378
Spread income from foreign exchange business	**2,831**	2,890
Other	**4,099**	3,760
Fee and commission income	**53,109**	49,755
Fee and commission expense	**(6,318)**	(6,895)
Net fee and commission income	**46,791**	42,860

3 Net trading gains

	Six month period ended 30 June	
	2025	**2024**
Net gains from foreign exchange and foreign exchange products	**16,259**	2,817
Net gains from interest rate products	**7,846**	6,938
Net gains from fund investments and equity products	**2,923**	2,550
Net gains from commodity products	**1,160**	2,175
Total [1]	**28,188**	14,480

(1) For the six month period ended 30 June 2025, included in "Net trading gains" above were losses of RMB175 million in relation to financial assets and financial liabilities designated as at fair value through profit or loss (Six month period ended 30 June 2024: losses of RMB617 million).

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

4 Net gains on transfers of financial assets

	Six month period ended 30 June	
	2025	**2024**
Net gains on derecognition of financial assets at fair value through other comprehensive income	**3,639**	2,709
Net gains on derecognition of financial assets at amortised cost [(1)]	**1,202**	1,770
Total	**4,841**	4,479

(1) All the net gains on the derecognition of financial assets at amortised cost were resulted from disposals during the six month periods ended 30 June 2025 and 30 June 2024.

5 Other operating income

	Six month period ended 30 June	
	2025	**2024**
Revenue from sales of precious metal products	**16,118**	11,776
Aircraft leasing income	**6,765**	6,576
Insurance revenue	**7,219**	5,981
Dividend income	**2,316**	2,190
Gains on disposals of property and equipment, intangible assets and other assets	**701**	786
Changes in fair value of investment properties (Note III.20)	**(647)**	(167)
Other [(1)]	**2,310**	2,208
Total	**34,782**	29,350

(1) For the six month period ended 30 June 2025, government subsidy income from operating activities, as part of other operating income, was RMB361 million (Six month period ended 30 June 2024: RMB111 million).

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

6 Operating expenses

	Six month period ended 30 June	
	2025	**2024**
Staff costs (Note III.7)	**52,261**	50,103
General operating and administrative expenses (1)	**19,282**	19,106
Depreciation and amortisation	**11,085**	11,762
Cost of sales of precious metal products	**15,784**	11,483
Insurance service expenses	**5,069**	5,048
Insurance finance expenses	**7,861**	2,883
Taxes and surcharges	**3,132**	3,291
Other	**5,022**	4,614
Total (2)	**119,496**	108,290

(1) For the six month period ended 30 June 2025, included in the "General operating and administrative expenses" were lease expenses related to short-term leases, leases of low-value assets and others of RMB470 million (Six month period ended 30 June 2024: RMB525 million).

(2) For the six month period ended 30 June 2025, included in the "Operating expenses" were premises and equipment-related expenses (mainly comprised of property management and building maintenance expenses and taxes) of RMB5,666 million (Six month period ended 30 June 2024: RMB5,771 million).

7 Staff costs

	Six month period ended 30 June	
	2025	**2024**
Salary, bonus and subsidy	**35,271**	35,338
Staff welfare	**1,655**	1,392
Retirement benefits	**12**	19
Social insurance		
— Medical	**2,939**	2,004
— Pension	**3,860**	3,602
— Annuity	**2,227**	2,083
— Unemployment	**145**	138
— Injury at work	**58**	53
— Maternity insurance	**60**	62
Housing funds	**2,917**	2,749
Labour union fee and staff education fee	**790**	565
Reimbursement for cancellation of labour contract	**46**	32
Other	**2,281**	2,066
Total	**52,261**	50,103

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

8 Credit impairment losses

	Six month period ended 30 June	
	2025	**2024**
Loans and advances		
— Loans and advances at amortised cost	**64,955**	72,765
— Loans and advances at fair value through other comprehensive income	**(24)**	(81)
Subtotal	**64,931**	72,684
Financial investments		
— Financial assets at amortised cost	**(870)**	(447)
— Financial assets at fair value through other comprehensive income	**(2,071)**	(747)
Subtotal	**(2,941)**	(1,194)
Credit commitments	**(3,189)**	(10,298)
Other	**(2,284)**	(674)
Total	**56,517**	60,518

9 Income tax expense

	Six month period ended 30 June	
	2025	**2024**
Current income tax		
— Chinese mainland income tax	**17,919**	16,724
— Hong Kong (China) profits tax	**4,109**	3,489
— Macao (China), Taiwan (China) and other countries and regions taxation	**3,322**	3,346
Subtotal	**25,350**	23,559
Deferred income tax (Note III.25.3)	**1,530**	(892)
Total	**26,880**	22,667

9 Income tax expense (Continued)

Provision for Chinese mainland income tax includes income tax based on the statutory tax rate of 25% of the taxable income of the Bank and each of its subsidiaries established in the Chinese mainland, and supplementary PRC tax on overseas operations as determined in accordance with the relevant PRC income tax rules and regulations.

Taxation on profits of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions has been calculated on the estimated assessable profits in accordance with local tax regulations at the rates of taxation prevailing in the countries or regions in which the Group operates.

The tax rate on the Group's profit before income tax differs from the theoretical amount that would arise using the basic Chinese mainland tax rate of the Bank as follows:

	Six month period ended 30 June	
	2025	**2024**
Profit before income tax	**153,018**	149,203
Tax calculated at the basic Chinese mainland tax rate	**38,255**	37,301
Effect of different tax rates for Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**(3,119)**	(2,878)
Supplementary PRC tax on overseas income	**2,163**	2,414
Income not subject to tax (1)	**(24,463)**	(19,696)
Items not deductible for tax purposes (2)	**13,538**	5,682
Other	**506**	(156)
Income tax expense	**26,880**	22,667

(1) Income not subject to tax mainly comprises interest income from PRC treasury bonds and Chinese local government bonds, and tax-free income recognised by the overseas entities in accordance with the relevant local tax law.

(2) Non-deductible items primarily include non-deductible losses resulting from write-offs and impairment losses.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

9 Income tax expense (Continued)

OECD Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules* ("Pillar Two").

The Group is within the scope of the Pillar Two rules. As at 30 June 2025, Chinese mainland has not legislated Pillar Two. Some of the countries where the Group operates have officially enacted Pillar Two legislation, which have come into effect from 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 *Income Taxes* issued in May 2023. As at 30 June 2025, the implementation of Pillar Two has no significant impact on the Group's condensed consolidated interim financial statements.

10 Earnings per share

Basic earnings per share was computed by dividing the profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share was computed by dividing the adjusted profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all potentially dilutive shares for the period by the adjusted weighted average number of ordinary shares in issue. There was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding for the six month periods ended 30 June 2025 and 30 June 2024.

	Six month period ended 30 June	
	2025	**2024**
Profit attributable to equity holders of the Bank	**117,591**	118,601
Less: dividends/interest on preference shares/ perpetual bonds declared	**(9,710)**	(13,267)
Profit attributable to ordinary shareholders of the Bank	**107,881**	105,334
Weighted average number of ordinary shares in issue (in million shares)	**296,540**	294,388
Basic and diluted earnings per share (in RMB)	**0.36**	0.36

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

11 Other comprehensive income

	Six month period ended 30 June	
	2025	**2024**
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	**14**	(10)
Changes in fair value on equity instruments designated at fair value through other comprehensive income	**(950)**	2,391
Less: related income tax impact	**418**	(563)
Other	**(17)**	48
Subtotal	**(535)**	1,866
Items that may be reclassified to profit or loss		
Changes in fair value on debt instruments measured at fair value through other comprehensive income	**1,651**	34,034
Less: related income tax impact	**(235)**	(7,641)
Amount transferred to the statement of profit or loss	**(3,639)**	(2,709)
Less: related income tax impact	**948**	522
	(1,275)	24,206
Allowance for credit losses on debt instruments measured at fair value through other comprehensive income	**(2,096)**	(865)
Less: related income tax impact	**529**	207
	(1,567)	(658)
Finance expenses from insurance contracts issued	**(4,465)**	(4,699)
Less: related income tax impact	**1,047**	156
	(3,418)	(4,543)
Exchange differences from the translation of foreign operations	**430**	1,209
Other	**273**	191
Subtotal	**(5,557)**	20,405
Total	**(6,092)**	22,271

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

11 Other comprehensive income (Continued)

Other comprehensive income attributable to equity holders of the Bank in the consolidated interim statement of financial position:

	Gains/(losses) on financial assets at fair value through other comprehensive income	Exchange differences from the translation of foreign operations	Other	Total
As at 1 January 2024	31,315	(497)	3,901	34,719
Changes for the year	60,993	3,315	(3,759)	60,549
As at 31 December 2024 and 1 January 2025	**92,308**	**2,818**	**142**	**95,268**
Changes for the period ended 30 June 2025	**(6,198)**	**1,993**	**(1,744)**	**(5,949)**
As at 30 June 2025	**86,110**	**4,811**	**(1,602)**	**89,319**

12 Cash and due from banks and other financial institutions

	As at 30 June 2025	As at 31 December 2024
Cash	**66,863**	69,157
Due from banks in Chinese mainland	**203,517**	287,480
Due from other financial institutions in Chinese mainland	**26,728**	29,649
Due from banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**244,247**	188,842
Due from other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**5,656**	6,977
Subtotal (1)	**480,148**	512,948
Accrued interest	**1,535**	1,471
Less: allowance for impairment losses (1)	**(550)**	(1,128)
Subtotal due from banks and other financial institutions	**481,133**	513,291
Total	**547,996**	582,448

(1) As at 30 June 2025 and 31 December 2024, the Group included the predominant majority of due from banks and other financial institutions under Stage 1, and measured the impairment losses based on expected credit losses in the next 12 months ("12-month ECL").

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

13 Balances with central banks

	As at 30 June 2025	As at 31 December 2024
Mandatory reserves (1)	**1,525,114**	1,546,954
Surplus reserves and others (2)	**742,155**	921,236
Subtotal	**2,267,269**	2,468,190
Accrued interest	**958**	1,288
Less: allowance for impairment losses	**–**	(1,621)
Total	**2,268,227**	2,467,857

(1) The Group places mandatory reserve funds with the People's Bank of China (the "PBOC") and the central banks of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions where it has operations. As at 30 June 2025, mandatory reserve funds placed with the PBOC were calculated at 7.5% (31 December 2024: 8.0%) and 4.0% (31 December 2024: 4.0%) of qualified RMB deposits and foreign currency deposits from customers in Chinese mainland of the Bank, respectively. Mandatory reserve funds placed with the central bank of domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve funds placed with the central banks of other jurisdictions are determined by local regulations.

(2) These represent funds for clearing purposes and balances other than mandatory reserves placed with the PBOC, the central banks of Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

14 Placements with and loans to banks and other financial institutions

	As at 30 June 2025	As at 31 December 2024
Placements with and loans to:		
Banks in Chinese mainland	**124,784**	297,508
Other financial institutions in Chinese mainland	**573,549**	704,066
Banks in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**353,371**	393,891
Other financial institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**107,704**	42,335
Subtotal (1) (2) (3) (4)	**1,159,408**	1,437,800
Accrued interest	**4,389**	5,491
Less: allowance for impairment losses (4)	**(892)**	(1,219)
Total	**1,162,905**	1,442,072

(1) As at 30 June 2025, the carrying amount of "Placements with and loans to banks and other financial institutions" measured at fair value through profit or loss of the Group was RMB57,350 million (31 December 2024: RMB17,654 million).

(2) The Group designates certain placements with and loans to banks and other financial institutions as financial assets measured at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 30 June 2025, the carrying amount of the above-mentioned financial assets of the Group was RMB9,555 million (31 December 2024: RMB6,864 million).

(3) "Placements with and loans to banks and other financial institutions" include balances arising from reverse repo agreements and collateralised financing agreements. They are presented by collateral type as follows:

	As at 30 June 2025	As at 31 December 2024
Debt securities		
— Governments	**188,443**	286,941
— Policy banks	**93,612**	212,778
— Financial institutions	**33,356**	29,381
— Corporates	**265**	265
Subtotal	**315,676**	529,365
Less: allowance for impairment losses	**(280)**	(306)
Total	**315,396**	529,059

(4) As at 30 June 2025 and 31 December 2024, the Group included the predominant majority of its placements with and loans to banks and other financial institutions under Stage 1, and measured the impairment losses based on 12-month ECL.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

15 Derivative financial instruments

The Group enters into foreign currency exchange rate, interest rate, equity, credit or precious metals and other commodity-related derivative financial instruments for trading, hedging, asset and liability management and customer initiated transactions.

The contractual/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following table. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with the fair values of instruments recognised in the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign currency exchange rates, credit spreads, or equity/commodity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

	As at 30 June 2025			As at 31 December 2024		
	Contractual/ Notional amount	Fair value		Contractual/ Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Exchange rate derivatives						
Currency forwards and swaps, and cross-currency interest rate swaps	**11,798,623**	**87,359**	**(72,139)**	10,092,498	121,497	(90,258)
Currency options	**1,223,789**	**4,315**	**(6,017)**	1,083,910	6,130	(7,524)
Currency futures	**3,403**	**2**	**(1)**	3,168	24	(15)
Subtotal	**13,025,815**	**91,676**	**(78,157)**	11,179,576	127,651	(97,797)
Interest rate derivatives						
Interest rate swaps	**7,261,784**	**40,225**	**(38,626)**	6,486,975	49,398	(45,908)
Interest rate options	**12,412**	**82**	**(82)**	9,873	115	(114)
Interest rate futures	**36,141**	**24**	**(8)**	65,981	25	(195)
Subtotal	**7,310,337**	**40,331**	**(38,716)**	6,562,829	49,538	(46,217)
Equity derivatives	**24,401**	**245**	**(275)**	8,394	22	(83)
Commodity derivatives and other	**358,016**	**10,395**	**(14,862)**	386,629	5,966	(9,359)
Total [1]	**20,718,569**	**142,647**	**(132,010)**	18,137,428	183,177	(153,456)

(1) Derivative financial instruments include those designated as hedging instruments by the Group.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

16 Loans and advances to customers

16.1 Analysis of loans and advances to customers by measurement category

	As at 30 June 2025	As at 31 December 2024
Measured at amortised cost		
— Corporate loans and advances	**14,991,447**	13,803,377
— Personal loans	**6,863,145**	6,825,036
— Discounted bills	**7,785**	10,726
Measured at fair value through other comprehensive income (1)		
— Corporate loans and advances	**1,961**	2,003
— Discounted bills	**1,119,010**	898,819
Subtotal	**22,983,348**	21,539,961
Measured at fair value through profit or loss (2)		
— Corporate loans and advances	**3,141**	3,535
— Discounted bills	**19,817**	89
Total	**23,006,306**	21,543,585
Accrued interest	**43,370**	50,483
Total loans and advances	**23,049,676**	21,594,068
Less: allowance for loans at amortised cost	**(561,498)**	(538,786)
Loans and advances to customers, net	**22,488,178**	21,055,282

(1) As at 30 June 2025, the allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income of the Group amounted to RMB371 million (31 December 2024: RMB391 million) and was credited to other comprehensive income.

(2) During the six month period ended 30 June 2025 and the year ended 31 December 2024, there were no significant movements in the fair value and accumulated fair value changes of loans and advances measured at fair value through profit or loss that are attributable to changes in credit risk of these loans.

16.2 Analysis of loans and advances to customers (accrued interest excluded) by geographical area, customer type, industry, collateral type and analysis of impaired and overdue loans and advances to customers are presented in Note IV.1.1.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

16 Loans and advances to customers (Continued)

16.3 Reconciliation of allowance for impairment losses on loans and advances to customers

(1) Allowance for loans at amortised cost

	Six month period ended 30 June 2025			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	**243,069**	**109,186**	**186,531**	**538,786**
Transfers to Stage 1	**8,302**	**(7,464)**	**(838)**	**–**
Transfers to Stage 2	**(3,975)**	**6,904**	**(2,929)**	**–**
Transfers to Stage 3	**(750)**	**(17,524)**	**18,274**	**–**
Impairment (reversal)/losses of loans with stage transfers	**(7,644)**	**26,215**	**34,164**	**52,735**
Charge for the period (i)	**78,266**	**14,124**	**15,878**	**108,268**
Reversal for the period (ii)	**(68,103)**	**(17,221)**	**(10,724)**	**(96,048)**
Write-off and transfer out	**–**	**–**	**(50,767)**	**(50,767)**
Recovery of loans and advances written off	**–**	**–**	**9,090**	**9,090**
Foreign exchange and other movements	**(98)**	**(40)**	**(428)**	**(566)**
As at 30 June	**249,067**	**114,180**	**198,251**	**561,498**

	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	224,063	80,983	179,862	484,908
Transfers to Stage 1	10,761	(8,211)	(2,550)	–
Transfers to Stage 2	(3,402)	12,780	(9,378)	–
Transfers to Stage 3	(1,977)	(14,613)	16,590	–
Impairment (reversal)/losses of loans with stage transfers	(10,101)	30,585	74,808	95,292
Charge for the year (i)	127,969	30,441	18,316	176,726
Reversal for the year (ii)	(104,012)	(22,769)	(24,412)	(151,193)
Write-off and transfer out	–	–	(84,611)	(84,611)
Recovery of loans and advances written off	–	–	19,344	19,344
Foreign exchange and other movements	(232)	(10)	(1,438)	(1,680)
As at 31 December	243,069	109,186	186,531	538,786

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

16 Loans and advances to customers (Continued)

16.3 Reconciliation of allowance for impairment losses on loans and advances to customers (Continued)

(2) Allowance for loans at fair value through other comprehensive income

	Six month period ended 30 June 2025			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	**391**	**–**	**–**	**391**
Transfers to Stage 1	**–**	**–**	**–**	**–**
Transfers to Stage 2	**–**	**–**	**–**	**–**
Transfers to Stage 3	**–**	**–**	**–**	**–**
Impairment (reversal)/losses of loans with stage transfers	**–**	**–**	**–**	**–**
Charge for the period (i)	**381**	**13**	**–**	**394**
Reversal for the period (ii)	**(418)**	**–**	**–**	**(418)**
Foreign exchange and other movements	**4**	**–**	**–**	**4**
As at 30 June	**358**	**13**	**–**	**371**

	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	385	5	–	390
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impairment (reversal)/losses of loans with stage transfers	–	–	–	–
Charge for the year (i)	530	–	–	530
Reversal for the year (ii)	(489)	(5)	–	(494)
Foreign exchange and other movements	(35)	–	–	(35)
As at 31 December	391	–	–	391

(i) Charge for the period/year comprises impairment losses attributable to new loans granted, brought forward loans without stage transfers, as well as changes to model and risk parameters, during the period/year.

(ii) Reversal for the period/year comprises impairment losses attributable to loans repaid, brought forward loans without stage transfers, as well as changes to model and risk parameters, during the period/year.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments

	As at 30 June 2025	As at 31 December 2024
Financial assets at fair value through profit or loss		
Financial assets held for trading and other financial assets at fair value through profit or loss		
Debt securities		
Issuers in Chinese mainland		
— Government	**47,161**	33,243
— Public sectors and quasi-governments	**1,954**	251
— Policy banks	**37,637**	28,098
— Financial institutions	**188,100**	155,728
— Corporate	**17,689**	8,127
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	**70,272**	67,793
— Public sectors and quasi-governments	**2,673**	1,557
— Financial institutions	**37,154**	20,547
— Corporate	**12,937**	11,209
	415,577	326,553
Equity instruments	**120,521**	124,604
Fund investments and other	**117,053**	103,720
Total financial assets held for trading and other financial assets at fair value through profit or loss	**653,151**	554,877
Financial assets at fair value through profit or loss (designated)		
Debt securities [(1)]		
Issuers in Chinese mainland		
— Government	**7,205**	6,442
— Policy banks	**91**	88
— Financial institutions	**10**	1,235
— Corporate	**1,630**	1,531
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	**8,396**	3,202
— Public sectors and quasi-governments	**3,691**	1,104
— Financial institutions	**9,549**	8,575
— Corporate	**21,201**	23,243
Financial assets at fair value through profit or loss (designated)	**51,773**	45,420
Total financial assets at fair value through profit or loss	**704,924**	600,297

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments (Continued)

	As at 30 June 2025	As at 31 December 2024
Financial assets at fair value through other comprehensive income		
Debt securities		
Issuers in Chinese mainland		
— Government	**1,819,849**	1,783,568
— Public sectors and quasi-governments	**89,535**	82,687
— Policy banks	**649,298**	643,129
— Financial institutions	**387,145**	306,201
— Corporate	**205,376**	188,358
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	**958,743**	876,794
— Public sectors and quasi-governments	**242,145**	179,756
— Financial institutions	**226,150**	187,081
— Corporate	**88,090**	97,346
	4,666,331	4,344,920
Equity instruments and other (2)	**48,051**	44,025
Total financial assets at fair value through other comprehensive income (3)	**4,714,382**	4,388,945
Financial assets at amortised cost		
Debt securities		
Issuers in Chinese mainland		
— Government (4)	**2,833,237**	2,487,884
— Public sectors and quasi-governments	**74,195**	73,569
— Policy banks	**200,893**	188,892
— Financial institutions	**97,588**	36,475
— Corporate	**26,782**	7,427
— China Orient (5)	**152,433**	152,433
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions		
— Governments	**165,183**	177,541
— Public sectors and quasi-governments	**119,492**	115,994
— Financial institutions	**79,719**	72,700
— Corporate	**9,690**	10,418
	3,759,212	3,323,333
Investment trusts, asset management plans and other	**21,613**	24,642
Accrued interest	**33,727**	32,124
Less: allowance for impairment losses	**(8,058)**	(9,064)
Total financial assets at amortised cost	**3,806,494**	3,371,035
Total financial investments (6)	**9,225,800**	8,360,277

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments (Continued)

	As at 30 June 2025	As at 31 December 2024
Analysed as follows:		
Financial assets at fair value through profit or loss		
— Listed in Hong Kong, China	**58,261**	40,263
— Listed outside Hong Kong, China (7)	**363,301**	286,381
— Unlisted	**283,362**	273,653
Financial assets at fair value through other comprehensive income		
Debt securities		
— Listed in Hong Kong, China	**132,788**	148,266
— Listed outside Hong Kong, China (7)	**3,590,053**	3,353,837
— Unlisted	**943,490**	842,817
Equity instruments and other		
— Listed in Hong Kong, China	**2,077**	5,879
— Listed outside Hong Kong, China (7)	**14,840**	14,625
— Unlisted	**31,134**	23,521
Financial assets at amortised cost		
— Listed in Hong Kong, China	**17,494**	19,035
— Listed outside Hong Kong, China (7)	**3,488,780**	3,046,737
— Unlisted	**300,220**	305,263
Total	**9,225,800**	8,360,277
Listed in Hong Kong, China	**210,620**	213,443
Listed outside Hong Kong, China (7)	**7,456,974**	6,701,580
Unlisted	**1,558,206**	1,445,254
Total	**9,225,800**	8,360,277

	As at 30 June 2025		As at 31 December 2024	
	Carrying value	Market value	Carrying value	Market value
Debt securities at amortised cost				
— Listed in Hong Kong, China	**17,494**	**17,417**	19,035	18,646
— Listed outside Hong Kong, China (7)	**3,488,780**	**3,714,350**	3,046,737	3,280,381

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments (Continued)

(1) In order to eliminate or significantly reduce accounting mismatches, certain debt securities are designated as financial assets at fair value through profit or loss.

(2) The Group designates certain non-trading equity instrument investments as financial investments measured at fair value through other comprehensive income. Investments in equity instruments in this category are mainly financial institution-type investments. For the six month period ended 30 June 2025, dividend income from such equity investments was RMB224 million (Six month period ended 30 June 2024: RMB124 million). For the six month period ended 30 June 2025, the value of equity investments disposed of was RMB3,959 million (Six month period ended 30 June 2024: RMB337 million) and the related cumulative gains transferred into undistributed profits from other comprehensive income after disposal were RMB475 million (Six month period ended 30 June 2024: cumulative losses of RMB131 million).

(3) The Group's accumulated impairment allowance for the debt securities at fair value through other comprehensive income as at 30 June 2025 amounted to RMB3,730 million (31 December 2024: RMB5,806 million).

(4) On 18 August 1998, a Special Purpose Treasury Bond was issued by the Ministry of Finance of the People's Republic of China ("MOF") with a par value of RMB42,500 million maturing on 18 August 2028. This bond was originally issued with an annual coupon rate of 7.20% and its coupon rate was restructured to 2.25% per annum from 1 December 2004.

(5) The Bank transferred certain non-performing assets to China Orient Asset Management Corporation ("China Orient") in 1999 and 2000. On 1 July 2000, China Orient issued a ten-year bond ("Orient Bond") with a par value of RMB160,000 million and interest rate of 2.25% to the Bank as consideration. In 2010, the maturity of this bond was extended to 30 June 2020. The Bank received a notice from the MOF in 2020 that the maturity of the Orient Bond was extended to 30 June 2025. Subsequently, in June 2025, the Bank received a notice from the MOF that the maturity of the Orient Bond was further extended to 31 December 2025. The MOF shall continue to provide funding support for the principal and interest of the Orient Bond. Pursuant to the requirements of the MOF, from 1 January 2020, the interest rate on the unpaid amounts will be verified year by year based on the rate of return of the five-year treasury bond of the previous year. As at 30 June 2025, the Bank had received early repayments of principal amounting to RMB7,567 million cumulatively.

(6) As at 30 June 2025, RMB4,043 million of debt securities measured at fair value through other comprehensive income and at amortised cost of the Group was determined to be impaired and was included under Stage 3 (31 December 2024: RMB4,021 million), with an impairment allowance of RMB3,537 million (31 December 2024: RMB3,446 million); RMB3,555 million of debt securities was included under Stage 2 (31 December 2024: RMB7,164 million), with an impairment allowance of RMB227 million (31 December 2024: RMB110 million) and the remaining debt securities were included under Stage 1, with impairment allowance measured based on 12-month ECL.

(7) Debt securities traded in the Chinese mainland interbank bond market are included in "Listed outside Hong Kong, China".

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments (Continued)

Reconciliation of allowance for impairment losses on financial investments at amortised cost:

	Six month period ended 30 June 2025			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	**1,638**	**52**	**7,374**	**9,064**
Transfers to Stage 1	**–**	**–**	**–**	**–**
Impairment losses with stage transfers	**–**	**–**	**–**	**–**
Impairment (reversal)/losses for the period	**(937)**	**(17)**	**84**	**(870)**
Write-off and transfer out	**–**	**–**	**–**	**–**
Foreign exchange and other movements	**(140)**	**–**	**4**	**(136)**
As at 30 June	**561**	**35**	**7,462**	**8,058**

	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	2,808	94	7,795	10,697
Transfers to Stage 1	5	(5)	–	–
Impairment reversal with stage transfers	(5)	–	–	(5)
Impairment (reversal)/losses during the year	(1,387)	(37)	298	(1,126)
Write-off and transfer out	–	–	(586)	(586)
Foreign exchange and other movements	217	–	(133)	84
As at 31 December	1,638	52	7,374	9,064

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

17 Financial investments (Continued)

Reconciliation of allowance for impairment losses on financial investments at fair value through other comprehensive income:

	Six month period ended 30 June 2025			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	**5,450**	**58**	**300**	**5,808**
Transfers to Stage 1	**48**	**(48)**	**–**	**–**
Transfers to Stage 2	**(46)**	**46**	**–**	**–**
Impairment (reversal)/losses with stage transfers	**(9)**	**109**	**–**	**100**
Impairment (reversal)/losses for the period	**(2,180)**	**27**	**(18)**	**(2,171)**
Foreign exchange and other movements	**(5)**	**–**	**–**	**(5)**
As at 30 June	**3,258**	**192**	**282**	**3,732**

	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	6,513	995	300	7,808
Transfers to Stage 1	842	(842)	–	–
Transfers to Stage 2	(1)	1	–	–
Impairment reversal with stage transfers	(568)	–	–	(568)
Impairment reversal during the year	(1,348)	(96)	–	(1,444)
Foreign exchange and other movements	12	–	–	12
As at 31 December	5,450	58	300	5,808

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

18 Property and equipment

	Six month period ended 30 June 2025			
	Buildings	Equipment and motor vehicles	Aircraft	Total
Cost				
As at 1 January	134,475	77,772	166,961	379,208
Additions	143	791	6,728	7,662
Transfer from investment properties (Note III.20)	602	–	–	602
Construction in progress transfer in (Note III.19)	290	134	2,108	2,532
Deductions	(422)	(1,322)	(8,565)	(10,309)
Exchange differences	184	(5)	(2,511)	(2,332)
As at 30 June	135,272	77,370	164,721	377,363
Accumulated depreciation				
As at 1 January	(55,728)	(62,961)	(31,826)	(150,515)
Additions	(2,087)	(2,662)	(2,802)	(7,551)
Deductions	222	1,252	2,980	4,454
Transfer to investment properties (Note III.20)	31	–	–	31
Exchange differences	(53)	12	506	465
As at 30 June	(57,615)	(64,359)	(31,142)	(153,116)
Allowance for impairment losses				
As at 1 January	(715)	–	(4,073)	(4,788)
Additions	–	–	–	–
Deductions	2	–	639	641
Exchange differences	(8)	–	63	55
As at 30 June	(721)	–	(3,371)	(4,092)
Net book value				
As at 1 January	78,032	14,811	131,062	223,905
As at 30 June	76,936	13,011	130,208	220,155

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

18 Property and equipment (Continued)

	Year ended 31 December 2024			
	Buildings	Equipment and motor vehicles	Aircraft	Total
Cost				
As at 1 January	130,438	75,636	169,675	375,749
Additions	282	5,912	3,857	10,051
Transfer from investment properties (Note III.20)	89	–	–	89
Construction in progress transfer in (Note III.19)	3,765	527	2,123	6,415
Deductions	(380)	(4,392)	(12,401)	(17,173)
Exchange differences	281	89	3,707	4,077
As at 31 December	134,475	77,772	166,961	379,208
Accumulated depreciation				
As at 1 January	(51,776)	(61,052)	(29,755)	(142,583)
Additions	(4,127)	(5,720)	(5,620)	(15,467)
Deductions	230	3,886	4,284	8,400
Transfer to investment properties (Note III.20)	51	–	–	51
Exchange differences	(106)	(75)	(735)	(916)
As at 31 December	(55,728)	(62,961)	(31,826)	(150,515)
Allowance for impairment losses				
As at 1 January	(716)	–	(5,315)	(6,031)
Additions	–	–	(92)	(92)
Deductions	4	–	1,451	1,455
Exchange differences	(3)	–	(117)	(120)
As at 31 December	(715)	–	(4,073)	(4,788)
Net book value				
As at 1 January	77,946	14,584	134,605	227,135
As at 31 December	78,032	14,811	131,062	223,905

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

19 Construction in progress

	Six month period ended 30 June 2025	Year ended 31 December 2024
Cost		
As at 1 January	**21,923**	20,554
Additions	**5,056**	7,876
Transfer to property and equipment (Note III.18)	**(2,532)**	(6,415)
Deductions	**(113)**	(373)
Exchange differences	**(239)**	281
As at 30 June/31 December	**24,095**	21,923
Allowance for impairment losses		
As at 1 January	**(206)**	(208)
Additions	**–**	–
Deductions	**–**	2
Exchange differences	**–**	–
As at 30 June/31 December	**(206)**	(206)
Net book value		
As at 1 January	**21,717**	20,346
As at 30 June/31 December	**23,889**	21,717

20 Investment properties

	Six month period ended 30 June 2025	Year ended 31 December 2024
As at 1 January	**22,431**	22,704
Additions	**520**	506
Transfer to property and equipment, net (Note III.18)	**(633)**	(140)
Deductions	**–**	(36)
Fair value changes (Note III.5)	**(647)**	(950)
Exchange differences	**(140)**	347
As at 30 June/31 December	**21,531**	22,431

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

21 Other assets

	As at 30 June 2025	As at 31 December 2024
Accounts receivable and prepayments	**95,365**	78,173
Insurance contract assets	**36,430**	35,906
Right-of-use assets (1)	**17,906**	18,480
Intangible assets	**23,270**	22,996
Land use rights	**5,888**	6,185
Long-term deferred expense	**3,277**	3,407
Goodwill (2)	**2,795**	2,828
Repossessed assets (3)	**2,026**	2,177
Interest receivable	**3,985**	1,792
Other	**29,362**	29,486
Total	**220,304**	201,430

(1) Right-of-use assets

	Six month period ended 30 June 2025		
	Buildings	Motor vehicles and other	Total
Cost			
As at 1 January	**39,261**	**433**	**39,694**
Additions	**4,722**	**141**	**4,863**
Deductions	**(5,522)**	**(21)**	**(5,543)**
Exchange differences	**217**	**1**	**218**
As at 30 June	**38,678**	**554**	**39,232**
Accumulated depreciation			
As at 1 January	**(20,902)**	**(312)**	**(21,214)**
Additions	**(3,057)**	**(56)**	**(3,113)**
Deductions	**3,077**	**16**	**3,093**
Exchange differences	**(92)**	**–**	**(92)**
As at 30 June	**(20,974)**	**(352)**	**(21,326)**
Net book value			
As at 1 January	**18,359**	**121**	**18,480**
As at 30 June	**17,704**	**202**	**17,906**

21 Other assets (Continued)

(1) Right-of-use assets (Continued)

	Year ended 31 December 2024		
	Buildings	**Motor vehicles and other**	**Total**
Cost			
As at 1 January	39,046	469	39,515
Additions	7,599	53	7,652
Deductions	(7,345)	(87)	(7,432)
Exchange differences	(39)	(2)	(41)
As at 31 December	39,261	433	39,694
Accumulated depreciation			
As at 1 January	(20,260)	(297)	(20,557)
Additions	(6,219)	(98)	(6,317)
Deductions	5,509	81	5,590
Exchange differences	68	2	70
As at 31 December	(20,902)	(312)	(21,214)
Net book value			
As at 1 January	18,786	172	18,958
As at 31 December	18,359	121	18,480

(2) Goodwill

	Six month period ended 30 June 2025	**Year ended 31 December 2024**
As at 1 January	**2,828**	2,685
Addition through acquisition of subsidiaries	**–**	95
Decrease resulting from disposal of subsidiaries	**–**	–
Exchange differences	**(33)**	48
As at 30 June/31 December [(i)]	**2,795**	2,828

(i) The goodwill mainly arose from the acquisition of BOC Aviation Limited in 2006 amounting to USD241 million (equivalent to RMB1,723 million).

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

21 Other assets (Continued)

(3) Repossessed assets

As at 30 June 2025, the net book amount of repossessed assets was RMB2,026 million (31 December 2024: RMB2,177 million), mainly comprised properties. Related allowance for impairment was RMB390 million (31 December 2024: RMB487 million).

The total book value of repossessed assets disposed of for the six month period ended 30 June 2025 amounted to RMB204 million (2024: RMB1,902 million). The Group plans to dispose of the repossessed assets held at 30 June 2025 by auction, bidding or transfer.

22 Financial liabilities held for trading

As at 30 June 2025 and 31 December 2024, financial liabilities held for trading mainly included short position in debt securities.

23 Due to customers

	As at 30 June 2025	As at 31 December 2024
Demand deposits		
— Corporate deposits	**5,861,341**	5,518,065
— Personal deposits	**4,549,264**	4,163,121
Subtotal	**10,410,605**	9,681,186
Time deposits		
— Corporate deposits	**6,137,193**	5,955,203
— Personal deposits	**7,818,604**	7,318,692
Subtotal	**13,955,797**	13,273,895
Structured deposits (1)		
— Corporate deposits	**291,849**	284,886
— Personal deposits	**148,652**	189,584
Subtotal	**440,501**	474,470
Certificates of deposit	**385,963**	324,563
Other deposits	**84,645**	90,703
Subtotal due to customers	**25,277,511**	23,844,817
Accrued interest	**360,801**	357,771
Total (2)	**25,638,312**	24,202,588

(1) According to the Group's risk management policy, the Group enters into derivatives to hedge market risks arising from its structured deposits. The Group designates certain structured deposits as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 30 June 2025, the carrying amount of these financial liabilities was RMB39,878 million (31 December 2024: RMB45,332 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 30 June 2025 and 31 December 2024 were not significant. For the six month period ended 30 June 2025 and the year ended 31 December 2024, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(2) Due to customers included margin deposits received by the Group as at 30 June 2025 of RMB340,885 million (31 December 2024: RMB414,308 million).

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

24 Bonds issued

	Issue date	Maturity date	Annual interest rate	As at 30 June 2025	As at 31 December 2024
Bonds issued at amortised cost					
Tier 2 capital bonds issued					
2019 RMB Debt Securities First Tranche 02 (1)	20 September 2019	24 September 2034	4.34%	**9,996**	9,996
2020 RMB Debt Securities First Tranche 01 (2)	17 September 2020	21 September 2030	4.20%	**59,977**	59,975
2020 RMB Debt Securities First Tranche 02 (3)	17 September 2020	21 September 2035	4.47%	**14,995**	14,994
2021 RMB Debt Securities First Tranche 01 (4)	17 March 2021	19 March 2031	4.15%	**14,995**	14,996
2021 RMB Debt Securities First Tranche 02 (5)	17 March 2021	19 March 2036	4.38%	**9,996**	9,997
2021 RMB Debt Securities Second Tranche 01 (6)	12 November 2021	16 November 2031	3.60%	**39,987**	39,990
2021 RMB Debt Securities Second Tranche 02 (7)	12 November 2021	16 November 2036	3.80%	**9,996**	9,997
2022 RMB Debt Securities First Tranche (8)	20 January 2022	24 January 2032	3.25%	**29,990**	29,993
2022 RMB Debt Securities Second Tranche 01 (9)	24 October 2022	26 October 2032	3.02%	**44,994**	44,995
2022 RMB Debt Securities Second Tranche 02 (10)	24 October 2022	26 October 2037	3.34%	**14,998**	14,998
2023 RMB Debt Securities First Tranche 01 (11)	20 March 2023	22 March 2033	3.49%	**39,994**	39,995
2023 RMB Debt Securities First Tranche 02 (12)	20 March 2023	22 March 2038	3.61%	**19,997**	19,997
2023 RMB Debt Securities Second Tranche 01 (13)	19 September 2023	21 September 2033	3.25%	**29,997**	29,996
2023 RMB Debt Securities Second Tranche 02 (14)	19 September 2023	21 September 2038	3.37%	**29,996**	29,996
2023 RMB Debt Securities Third Tranche 01 (15)	19 October 2023	23 October 2033	3.43%	**44,993**	44,995
2023 RMB Debt Securities Third Tranche 02 (16)	19 October 2023	23 October 2038	3.53%	**24,996**	24,997
2023 RMB Debt Securities Fourth Tranche 01 (17)	1 December 2023	5 December 2033	3.30%	**14,998**	14,999
2023 RMB Debt Securities Fourth Tranche 02 (18)	1 December 2023	5 December 2038	3.37%	**14,998**	14,999
2024 RMB Debt Securities First Tranche 01(19)	30 January 2024	1 February 2034	2.78%	**29,996**	29,998
2024 RMB Debt Securities First Tranche 02 (20)	30 January 2024	1 February 2039	2.85%	**29,996**	29,998
2024 RMB Debt Securities Second Tranche 01 (21)	2 April 2024	8 April 2034	2.62%	**34,994**	34,997
2024 RMB Debt Securities Second Tranche 02 (22)	2 April 2024	8 April 2039	2.71%	**24,996**	24,996
2025 RMB Debt Securities First Tranche (23)	22 May 2025	26 May 2035	1.93%	**49,994**	–
Subtotal (27)				**639,869**	589,894
Total Loss-absorbing Capacity Eligible Non-capital Bonds (TLAC Non-capital Bonds) issued					
2024 RMB TLAC Non-capital Debt 01A (24)	16 May 2024	20 May 2028	2.25%	**24,997**	24,996
2024 RMB TLAC Non-capital Debt 01B (25)	16 May 2024	20 May 2030	2.35%	**14,998**	14,998
2024 RMB TLAC Non-capital Green Debt First Tranche (26)	13 December 2024	17 December 2028	1.78%	**9,999**	9,999
Subtotal (27)				**49,994**	49,993
Other bonds issued (28)					
US Dollar Debt Securities				**150,799**	189,278
RMB Debt Securities				**161,527**	207,961
Other				**17,314**	23,849
Subtotal				**329,640**	421,088
Negotiable certificates of deposit				**1,116,578**	980,653
Subtotal bonds issued at amortised cost				**2,136,081**	2,041,628
Bonds issued at fair value through profit or loss (29)				**2,036**	1,970
Subtotal bonds issued				**2,138,117**	2,043,598
Accrued interest				**14,430**	12,951
Total bonds issued (30)				**2,152,547**	2,056,549

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

24 Bonds issued (Continued)

(1) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 20 September 2019. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.34%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(2) The Bank issued tier 2 capital bonds in an amount of RMB60 billion on 17 September 2020. The bonds have a maturity of 10 years, with a fixed coupon rate of 4.20%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(3) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 17 September 2020. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.47%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(4) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 17 March 2021. The bonds have a maturity of 10 years, with a fixed coupon rate of 4.15%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(5) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 17 March 2021. The bonds have a maturity of 15 years, with a fixed coupon rate of 4.38%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(6) The Bank issued tier 2 capital bonds in an amount of RMB40 billion on 12 November 2021. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.60%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(7) The Bank issued tier 2 capital bonds in an amount of RMB10 billion on 12 November 2021. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.80%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(8) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 20 January 2022. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.25%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(9) The Bank issued tier 2 capital bonds in an amount of RMB45 billion on 24 October 2022. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.02%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(10) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 24 October 2022. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.34%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(11) The Bank issued tier 2 capital bonds in an amount of RMB40 billion on 20 March 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.49%. The Bank is entitled to redeem the bonds at the end of the fifth year.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

24 Bonds issued (Continued)

(12) The Bank issued tier 2 capital bonds in an amount of RMB20 billion on 20 March 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.61%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(13) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 19 September 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.25%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(14) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 19 September 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.37%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(15) The Bank issued tier 2 capital bonds in an amount of RMB45 billion on 19 October 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.43%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(16) The Bank issued tier 2 capital bonds in an amount of RMB25 billion on 19 October 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.53%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(17) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 1 December 2023. The bonds have a maturity of 10 years, with a fixed coupon rate of 3.30%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(18) The Bank issued tier 2 capital bonds in an amount of RMB15 billion on 1 December 2023. The bonds have a maturity of 15 years, with a fixed coupon rate of 3.37%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(19) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 30 January 2024. The bonds have a maturity of 10 years, with a fixed coupon rate of 2.78%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(20) The Bank issued tier 2 capital bonds in an amount of RMB30 billion on 30 January 2024. The bonds have a maturity of 15 years, with a fixed coupon rate of 2.85%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(21) The Bank issued tier 2 capital bonds in an amount of RMB35 billion on 2 April 2024. The bonds have a maturity of 10 years, with a fixed coupon rate of 2.62%. The Bank is entitled to redeem the bonds at the end of the fifth year.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

24 Bonds issued (Continued)

(22) The Bank issued tier 2 capital bonds in an amount of RMB25 billion on 2 April 2024. The bonds have a maturity of 15 years, with a fixed coupon rate of 2.71%. The Bank is entitled to redeem the bonds at the end of the tenth year.

(23) The Bank issued tier 2 capital bonds in an amount of RMB50 billion on 22 May 2025. The bonds have a maturity of 10 years, with a fixed coupon rate of 1.93%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(24) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB25 billion on 16 May 2024. The bonds have a maturity of 4 years, with a fixed coupon rate of 2.25%. The Bank is entitled to redeem the bonds at the end of the third year.

(25) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds in an amount of RMB15 billion on 16 May 2024. The bonds have a maturity of 6 years, with a fixed coupon rate of 2.35%. The Bank is entitled to redeem the bonds at the end of the fifth year.

(26) The Bank issued Total Loss-absorbing Capacity Eligible Non-capital Green Bonds in an amount of RMB10 billion on 13 December 2024. The bonds have a maturity of 4 years, with a fixed coupon rate of 1.78%. The Bank is entitled to redeem the bonds at the end of the third year.

(27) The claims of the holders of tier 2 capital bonds and Total Loss-absorbing Capacity Eligible Non-capital Bonds will be subordinated to the claims of depositors and general creditors.

(28) US Dollar Debt Securities, RMB Debt Securities and other Debt Securities were issued in Chinese mainland, Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions between 2015 and 30 June 2025 by the Group, with dates of maturity ranging from July 2025 to 2034.

(29) According to the Group's risk management policy, the Group enters into derivatives to hedge market risks arising from certain of its bonds issued. The Group designates certain bonds issued as financial liabilities at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch. As at 30 June 2025, the carrying amount of the above-mentioned bonds issued by the Group was RMB2,036 million (31 December 2024: RMB1,970 million). The differences between the fair value and the amount that the Group would be contractually required to pay to the holders as at 30 June 2025 and 31 December 2024 were not significant. For the six month period ended 30 June 2025 and the year ended 31 December 2024, there was no significant change in the Group's credit risk nor changes in the fair value of these financial liabilities as a result.

(30) For the six month period ended 30 June 2025 and the year ended 31 December 2024, the Group did not default on any principal, interest or redemption amounts with respect to its bonds issued.

25 Deferred income taxes

25.1 Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes are related to the same fiscal authority. The table below includes the deferred income tax assets and liabilities of the Group after offsetting qualifying amounts and the related temporary differences:

	As at 30 June 2025		As at 31 December 2024	
	Temporary differences	**Deferred tax assets/ (liabilities)**	**Temporary differences**	**Deferred tax assets/ (liabilities)**
Deferred income tax assets	**272,853**	**64,690**	256,236	62,691
Deferred income tax liabilities	**(67,424)**	**(9,639)**	(66,048)	(9,130)
Net	**205,429**	**55,051**	190,188	53,561

25.2 Deferred income tax assets/liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	As at 30 June 2025		As at 31 December 2024	
	Temporary differences	**Deferred tax assets/ (liabilities)**	**Temporary differences**	**Deferred tax assets/ (liabilities)**
Deferred income tax assets				
Asset impairment allowances	**365,070**	**89,033**	353,730	88,368
Pension, retirement benefits and salary payables	**33,811**	**8,424**	43,013	10,730
Financial instruments at fair value through profit or loss and derivative financial instruments	**122,276**	**30,245**	147,472	36,681
Financial assets at fair value through other comprehensive income	**5,640**	**1,203**	11,613	2,511
Other temporary differences	**83,448**	**17,189**	78,268	16,519
Subtotal	**610,245**	**146,094**	634,096	154,809
Deferred income tax liabilities				
Financial instruments at fair value through profit or loss and derivative financial instruments	**(139,667)**	**(34,750)**	(168,056)	(41,844)
Financial assets at fair value through other comprehensive income	**(111,157)**	**(27,676)**	(121,202)	(30,644)
Depreciation and amortisation	**(58,070)**	**(8,307)**	(52,700)	(6,543)
Revaluation of investment properties	**(10,608)**	**(1,998)**	(11,517)	(2,236)
Other temporary differences	**(85,314)**	**(18,312)**	(90,433)	(19,981)
Subtotal	**(404,816)**	**(91,043)**	(443,908)	(101,248)
Net	**205,429**	**55,051**	190,188	53,561

As at 30 June 2025, deferred tax liabilities relating to temporary differences of RMB252,353 million associated with the Group's investments in subsidiaries had not been recognised (31 December 2024: RMB239,446 million).

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

25 Deferred income taxes (Continued)

25.3 Movements of the deferred income tax are as follows:

	Six month period ended 30 June 2025	Year ended 31 December 2024
As at 1 January	**53,561**	67,759
Credited to the statement of profit or loss (Note III.9)	**(1,530)**	851
Charged to other comprehensive income	**2,703**	(15,674)
Other	**317**	625
As at 30 June/31 December	**55,051**	53,561

25.4 Breakdowns of deferred income tax credit/(charge) in the condensed consolidated interim statement of profit or loss are as follows:

	Six month period ended 30 June	
	2025	**2024**
Asset impairment allowances	**665**	7,390
Financial instruments at fair value through profit or loss and derivative financial instruments	**658**	(541)
Pension, retirement benefits and salary payables	**(2,306)**	(1,594)
Other temporary differences	**(547)**	(4,363)
Total	**(1,530)**	892

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

26 Other liabilities

	As at 30 June 2025	As at 31 December 2024
Insurance contract liabilities	**343,972**	302,000
Items in the process of clearance and settlement	**131,124**	163,211
Salary and welfare payables	**45,814**	56,960
Dividends payable	**5,512**	36,297
Lease liabilities	**17,733**	18,716
Provision	**15,578**	18,604
— Allowance for credit commitments	**14,322**	17,421
— Allowance for litigation losses (Note III.29.1)	**1,256**	1,183
Deferred income	**7,268**	7,080
Other	**78,905**	82,180
Total	**645,906**	685,048

27 Share capital, capital reserve and other equity instruments

27.1 Share capital

The Bank's share capital is as follows:

Unit: Share

	As at 30 June 2025	As at 31 December 2024
Domestic listed A shares, par value of RMB1.00 per share	**238,590,135,419**	210,765,514,846
Overseas listed H shares, par value of RMB1.00 per share	**83,622,276,395**	83,622,276,395
Total	**322,212,411,814**	294,387,791,241

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

27 Share capital, capital reserve and other equity instruments (Continued)

27.1 Share capital (Continued)

(1) All A and H shares rank pari passu with the same rights and benefits.

(2) According to the *Approval of National Financial Regulatory Administration regarding the Plan for Offering A Shares by Bank of China Limited to Specified Investors and the Change in Share Capital* (Jin Fu [2025] No. 271) from National Financial Regulatory Administration ("NFRA") and the *Approval regarding the Registration of the Offering of Shares by Bank of China Limited to Specified Investors* (Zheng Jian Xu Ke [2025] No. 1079) from the China Securities Regulatory Commission ("CSRC"), the Bank issued 27,824,620,573 RMB-denominated ordinary shares (A shares) to specified investor (the MOF) (par value of RMB1.00 per share) in June 2025, at an issue price of RMB5.93 per share. The total amount of proceeds raised was RMB165,000,000,000.00. After deducting expenses of the offering, the net proceeds of the offering was RMB164,952,658,061.90, of which RMB27,824,620,573.00 was included in the share capital and RMB137,128,037,488.90 was included in the capital reserve. The lock-up period is 5 years.

Ernst & Young Hua Ming LLP verified the registered capital and paid-in capital (share capital) from A-share issuance to specified investor by the Bank as at 13 June 2025, and issued a capital verification report (Ernst & Young Hua Ming 2025 Verification No. 70008878_A02).

(3) As at 30 June 2025, the Bank's A shares and H shares were not subject to lock-up restrictions, except for the ordinary shares offered to specified investor in June 2025 (as at 31 December 2024, all of the Bank's A shares and H Shares were not subject to lock-up restrictions).

27.2 Capital reserve

	As at 30 June 2025	As at 31 December 2024
Share premium	**270,089**	133,620
Other capital reserve	**2,176**	2,148
Total	**272,265**	135,768

27 Share capital, capital reserve and other equity instruments (Continued)

27.3 Other equity instruments

Movements in the Bank's other equity instruments were as follows:

	As at 1 January 2025		Increase/(decrease)		As at 30 June 2025	
	Quantity (million shares)	Issue amount	Quantity (million shares)	Issue/ (redemption) amount	Quantity (million shares)	Issue amount
Preference Shares						
Domestic Preference Shares (Third Tranche)	730.0	73,000	–	–	730.0	73,000
Domestic Preference Shares (Fourth Tranche)	270.0	27,000	–	–	270.0	27,000
Offshore Preference Shares (Second Tranche) (1)	197.9	19,787	(197.9)	(19,787)	–	–
Subtotal (2)	1,197.9	119,787	(197.9)	(19,787)	1,000.0	100,000
Perpetual Bonds						
2020 Undated Capital Bonds (Series 1) (3)		40,000		(40,000)		–
2020 Undated Capital Bonds (Series 2)		30,000		–		30,000
2020 Undated Capital Bonds (Series 3)		20,000		–		20,000
2021 Undated Capital Bonds (Series 1)		50,000		–		50,000
2021 Undated Capital Bonds (Series 2)		20,000		–		20,000
2022 Undated Capital Bonds (Series 1)		30,000		–		30,000
2022 Undated Capital Bonds (Series 2)		20,000		–		20,000
2023 Undated Capital Bonds (Series 1)		30,000		–		30,000
2024 Undated Capital Bonds (Series 1)		30,000		–		30,000
2024 Undated Capital Bonds (Series 2)		20,000		–		20,000
Subtotal (4)		290,000		(40,000)		250,000
Total		409,787		(59,787)		350,000

As at 30 June 2025, the transaction costs of outstanding other equity instruments issued by the Bank were RMB75 million (31 December 2024: RMB106 million).

(1) With the approval of the NFRA, the Bank redeemed all 198 million Offshore Preference Shares (Second Tranche) on 4 March 2025. The Bank fully paid the nominal value of the Offshore Preference Shares and the dividends declared, totalling USD2,922 million.

(2) Save for such dividend at the agreed dividend payout ratio, the holders of the above preference shares shall not be entitled to share in the distribution of the remaining profits of the Bank together with the holders of the ordinary shares. The above preference shares bear non-cumulative dividends. The Bank shall be entitled to cancel any dividend on the preference shares, and such cancellation shall not constitute a default. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full payment of dividends on the preference shares. Upon the occurrence of a triggering event for the compulsory conversion of preference shares into ordinary shares in accordance with the agreement, the Bank shall convert the preference shares into ordinary shares in whole or in part after reporting to the relevant regulatory authorities for its examination and approval decision. As at 30 June 2025, the above preference shares have not been converted to ordinary shares.

Funding raised from the issuance of the above preference shares was fully used to replenish the Bank's capital and to increase its capital adequacy ratio.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

27 Share capital, capital reserve and other equity instruments (Continued)

27.3 Other equity instruments (Continued)

(3) With the approval of the NFRA, the Bank fully redeemed the 2020 Undated Capital Bonds (Series 1) on 30 April 2025, with the redemption amount of RMB40 billion.

(4) The above perpetual bonds will continue to be outstanding so long as the Bank's business continues to operate. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of the relevant regulatory authorities, the Bank may redeem these bonds in whole or in part on each distribution payment date from the fifth anniversary since the issuance. Upon the occurrence of a triggering event for the write-downs, with the consent of the relevant regulatory authorities and without the need for the consent of the holders of the above bonds, the Bank has the right to write down the principal amount of the above bonds issued and existing at that time in whole or in part, in accordance with the outstanding principal amount of the bonds. The claims in respect of the above bonds, in the event of a winding-up of the Bank, will be subordinated to the claims of depositors, general creditors and subordinated indebtedness that ranks senior to these bonds; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with these bonds.

The above bonds bear non-cumulative interest and the Bank shall have the right to cancel distributions on these bonds in whole or in part and such cancellation shall not constitute a default. The Bank may at its discretion utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts. The Bank shall not distribute profits to ordinary shareholders until the resumption of full interest payment to the holders of these bonds.

Funding raised from the issuance of these bonds was fully used to replenish the Bank's capital and to increase its capital adequacy ratio.

Interests attributable to the holders of equity instruments

	As at 30 June 2025	**As at 31 December 2024**
Total equity attributable to equity holders of the Bank	**2,987,590**	2,816,231
— Equity attributable to ordinary shareholders of the Bank	**2,637,648**	2,406,718
— Equity attributable to other equity holders of the Bank	**349,942**	409,513
Total equity attributable to non-controlling interests	**138,075**	136,733
— Equity attributable to non-controlling interests of ordinary shares	**131,550**	130,140
— Equity attributable to non-controlling interests of other equity instruments	**6,525**	6,593

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

28 Dividends

Dividends for Ordinary Shares

2024 final ordinary share cash dividend of RMB35,798 million (pre-tax) was approved at the First Extraordinary General Meeting of 2025 held on 16 April 2025 and was distributed during the period.

An interim ordinary share cash dividend, proposed by the Board of Directors of the Bank, of RMB1.094 per ten shares (pre-tax) amounting to a total dividend of RMB35,250 million (pre-tax), based on the number of shares issued as at 30 June 2025, will be proposed for approval at the forthcoming General Meeting and the dividend payable is not reflected in the liabilities of the interim financial statements.

Dividends for Preference Shares

Dividend distributions of Domestic Preference Shares (Third Tranche and Fourth Tranche) were approved by the Board of Directors of the Bank at the fifth meeting of the Board of Directors in 2025. Dividend of Domestic Preference Shares (Third Tranche) amounting to RMB2,540.4 million (pre-tax) was distributed on 27 June 2025. Dividend of Domestic Preference Shares (Fourth Tranche) amounting to RMB882.9 million (pre-tax) which will be distributed on 29 August 2025 and have been recorded in "Other liabilities" as at 30 June 2025.

Interest on Perpetual Bonds

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 1) amounting to RMB1,095 million on 14 April 2025.

The Bank distributed interest on the 2022 Undated Capital Bonds (Series 2) amounting to RMB730 million on 28 April 2025.

The Bank distributed interest on the 2020 Undated Capital Bonds (Series 1) amounting to RMB1,360 million on 30 April 2025.

The Bank distributed interest on the 2021 Undated Capital Bonds (Series 1) amounting to RMB2,040 million on 19 May 2025.

The Bank distributed interest on the 2023 Undated Capital Bonds (Series 1) amounting to RMB981 million on 16 June 2025.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

29 Contingent liabilities and commitments

29.1 Legal proceedings and arbitrations

As at 30 June 2025, the Group was involved in certain litigation and arbitration cases in the regular course of its business. In the Group's regular business operations in different countries and regions across the world, given the range and scale of its international presence, the Group may be involved in a variety of litigation, arbitration and judicial proceedings within different jurisdictions, and the ultimate outcomes of these proceedings involve various levels of uncertainty. Management makes provisions for potential losses that may arise from these uncertainties based on assessments of potential liabilities, courts' judgements or the opinions of legal counsel, and as at 30 June 2025, the balance of the provisions was RMB1,256 million (31 December 2024: RMB1,183 million), as disclosed in Note III.26. Based upon the opinions of internal and external legal counsels, senior management of the Group believes that, at the current stage, these matters will not have a material impact on the financial position or operating results of the Group. Should the ultimate outcomes of these matters differ from the initially estimated amounts, such differences will impact the profit or loss in the period during which such a determination is made.

29.2 Assets pledged

Assets pledged by the Group as collateral mainly for repurchase, short positions, derivative transactions with other banks and financial institutions and for local statutory requirements are set forth in the table below. These transactions are conducted under standard and normal business terms:

	As at 30 June 2025	As at 31 December 2024
Debt securities	**1,668,730**	1,281,470
Bills	**112**	877
Total	**1,668,842**	1,282,347

29.3 Collateral accepted

The Group accepts securities as collateral that are permitted to be sold or re-pledged in connection with reverse repurchase and derivative agreements with banks and other financial institutions. As at 30 June 2025, the fair value of collateral received from banks and other financial institutions accepted by the Group amounted to RMB140,364 million (31 December 2024: RMB113,030 million). As at 30 June 2025, the fair value of the collateral that the Group had sold or re-pledged, but was obligated to return, was RMB136 million (31 December 2024: RMB5 million). These transactions are conducted under standard terms in the normal course of business.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

29 Contingent liabilities and commitments (Continued)

29.4 Capital commitments

	As at 30 June 2025	As at 31 December 2024
Property and equipment		
— Contracted but not provided for	**144,829**	90,820
— Authorised but not contracted for	**1,969**	3,191
Intangible assets		
— Contracted but not provided for	**4,462**	3,952
— Authorised but not contracted for	**179**	97
Investment properties and others		
— Contracted but not provided for	**326**	375
— Authorised but not contracted for	**3**	4
Total	**151,768**	98,439

29.5 Treasury bonds redemption commitments

The Bank is entrusted by the MOF to underwrite certain Treasury bonds. The investors of these Treasury bonds have a right to redeem the bonds at any time prior to maturity and the Bank is committed to redeem these Treasury bonds. The MOF will not provide funding for the early redemption of these Treasury bonds on a back-to-back basis but will pay interest and repay the principal at maturity. The redemption price is the principal value of the bonds plus unpaid interest in accordance with the early redemption arrangement.

As at 30 June 2025, the outstanding principal value of the Treasury bonds sold by the Bank under obligation to redeem prior to maturity amounted to RMB43,336 million (31 December 2024: RMB39,556 million). The original maturities of these Treasury bonds vary from 3 to 5 years and management expects the amount of redemption through the Bank prior to the maturity dates of these bonds will not be material.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

29 Contingent liabilities and commitments (Continued)

29.6 Credit commitments

	As at 30 June 2025	As at 31 December 2024
Loan commitments (1)		
— with an original maturity of less than 1 year	**48,062**	41,177
— with an original maturity of 1 year or above	**518,229**	612,656
Undrawn credit card limits	**916,622**	937,237
Letters of guarantee issued (2)		
— Financing letters of guarantee	**23,248**	28,242
— Non-financing letters of guarantee	**1,218,612**	1,183,867
Bank bill acceptance	**656,802**	572,989
Letters of credit issued		
— Sight letters of credit	**91,286**	93,535
— Usance letters of credit	**47,411**	44,401
Accepted bills of exchange under letters of credit	**92,507**	79,441
Other	**116,777**	115,892
Total (3)	**3,729,556**	3,709,437

(1) Loan commitments mainly represent undrawn loan facilities agreed and granted to customers. Unconditionally revocable loan commitments are not included in loan commitments. As at 30 June 2025, the Group's loan commitments that could be unconditionally cancelled at any time were RMB3,747,317 million (As at 31 December 2024: RMB3,607,965 million).

(2) These obligations on the Group to make payments are dependent on the outcome of a future event.

(3) Risk-weighted assets for credit risk of credit commitments

The risk-weighted assets for credit risk of the Group are calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations under the advanced capital measurement approaches. The amounts are determined based on the creditworthiness of the counterparties, the terms of each type of contracts and other factors.

	As at 30 June 2025	As at 31 December 2024
Credit commitments	**1,254,155**	1,249,799

29 Contingent liabilities and commitments (Continued)

29.7 Underwriting obligations

As at 30 June 2025, there was no firm commitment in underwriting securities of the Group (31 December 2024: Nil).

30 Note to the condensed consolidated interim statement of cash flows

Cash and cash equivalents comprise the following balances with an original maturity of less than three months:

	As at 30 June 2025	As at 30 June 2024
Cash and due from banks and other financial institutions	**414,945**	719,691
Balances with central banks	**668,530**	807,426
Placements with and loans to banks and other financial institutions	**474,938**	775,484
Financial investments	**324,332**	158,229
Total	**1,882,745**	2,460,830

31 Related party transactions

31.1 The immediate and ultimate parents of the Group are Central Huijin Investment Limited ("Huijin") and China Investment Corporation ("CIC"), respectively.

As approved by the State Council, CIC was established on 29 September 2007 with registered capital of RMB1,550,000 million.

The Group enters into banking transactions with CIC in the normal course of its business on commercial terms.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

31 Related party transactions (Continued)

31.2 Transactions with Huijin and companies under Huijin

Huijin was established on 16 December 2003 as a wholly state-owned company. It was registered in Beijing with registered capital of RMB828,209 million. As a wholly-owned subsidiary of CIC, Huijin makes equity investments in major state-owned financial institutions, as authorised by the State Council. To the extent of its capital contribution, Huijin exercises its rights and fulfils its obligations as an investor in major state-owned financial institutions on behalf of the State, in accordance with applicable laws aimed at preserving and enhancing the value of state-owned financial assets. Huijin neither engages in other business activities nor intervenes in the daily operation of the major state-owned financial institutions of which it is the controlling shareholder. As at 30 June 2025, Huijin directly held 58.59% of shares of the Bank.

Companies under Huijin include its equity interests in subsidiaries, associates and joint ventures.

The Group enters into transactions with Huijin and companies under Huijin in the normal course of business on commercial terms which include mainly purchase and sale of debt securities, money market transactions and derivative transactions.

(1) Transactions with Huijin

The main transactions that the Group entered into with Huijin are as follows:

Transaction balances

	As at 30 June 2025	As at 31 December 2024
Investment in debt securities	**56,934**	53,593
Placements with Huijin	**62,560**	66,600
Due to Huijin	**(57,319)**	(35,118)

Transaction amounts

	Six month period ended 30 June	
	2025	2024
Interest income	**1,290**	1,584
Interest expense	**(305)**	(146)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

31 Related party transactions (Continued)

31.2 Transactions with Huijin and companies under Huijin (Continued)

(2) Transactions with companies under Huijin

The main transactions that the Group entered into with the affiliates of Huijin are as follows:

Transaction balances

	As at 30 June 2025	As at 31 December 2024
Due from banks and other financial institutions	**86,781**	81,012
Placements with and loans to banks and other financial institutions	**261,067**	236,724
Financial investments	**876,368**	666,455
Derivative financial assets	**12,468**	18,697
Loans and advances to customers	**40,491**	44,176
Due to customers, banks and other financial institutions	**(806,081)**	(701,853)
Placements from banks and other financial institutions	**(186,145)**	(260,739)
Derivative financial liabilities	**(8,191)**	(13,477)
Credit commitments	**21,931**	19,478

Transaction amounts

	Six month period ended 30 June	
	2025	2024
Interest income	**10,102**	11,984
Interest expense	**(13,660)**	(13,343)

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

31 Related party transactions (Continued)

31.3 Transactions with MOF

The MOF is a ministry under the State Council of the PRC, primarily responsible for, among others, state fiscal revenues, expenses and taxation policies. As at 30 June 2025, the MOF directly held 8.64% of shares of the Bank. The Group enters into transactions with the MOF in the normal course of business on commercial terms.

The main transactions that the Group entered into with the MOF are as follows:

Transaction balances

	As at 30 June 2025
The PRC Treasury bonds and the Special Purpose Treasury Bond	**1,458,997**

For the period from the date that the MOF became the Bank's shareholder to 30 June 2025, the transaction amount of interest income on the Treasury bonds that the Group entered into with the MOF is RMB1,266 million.

31.4 Transactions with CITIC Financial AMC and companies under CITIC Financial AMC

As at 30 June 2025, according to publicly disclosed information, China CITIC Financial Asset Management Co., Ltd. ("CITIC Financial AMC") held approximately 4.68% of shares of the Bank, and nominated a director to the Bank. Companies under CITIC Financial AMC include its equity interests in subsidiaries and joint ventures. The Group enters into transactions with these companies in the normal course of business on commercial terms which mainly include purchase and sale of debt securities and money market transactions.

The main transactions that the Group entered into with CITIC Financial AMC and the affiliates of CITIC Financial AMC are as follows:

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

31 Related party transactions (Continued)

31.4 Transactions with CITIC Financial AMC and companies under CITIC Financial AMC (Continued)

Transaction balances

	As at 30 June 2025
Placements with CITIC Financial AMC	**31,700**
Investment in debt securities	**3,305**
Due to CITIC Financial AMC	**(7,472)**

In the first half of 2025, the transaction amounts of interest income and interest expense that the Group entered into with CITIC Financial AMC and companies under CITIC Financial AMC are RMB359 million and RMB39 million, respectively.

31.5 Transactions with government authorities, agencies, affiliates and other state-controlled entities

The PRC government directly and indirectly controls a significant number of entities through its government authorities, agencies, affiliates and other state-controlled entities. The Group enters into extensive banking transactions with these entities in the normal course of business on commercial terms.

Transactions conducted with government authorities, agencies, affiliates and other state-controlled entities include the purchase and redemption of investment securities issued by government agencies, underwriting and distribution of treasury bonds issued by government agencies through the Group's branch network, foreign exchange transactions and derivative transactions, lending, provision of credit and guarantees and deposit placing and taking.

31.6 Transactions with associates and joint ventures

The Group enters into transactions with associates and joint ventures in the normal course of business on commercial terms. These include loans and advances, deposit taking and other normal banking businesses.

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

31 Related party transactions (Continued)

31.6 Transactions with associates and joint ventures (Continued)

The main transactions that the Group entered into with associates and joint ventures are as follows:

Transaction balances

	As at 30 June 2025	As at 31 December 2024
Loans and advances to customers	**29,085**	28,897
Due to customers, banks and other financial institutions	**(46,427)**	(20,911)
Credit commitments	**37,228**	38,260

Transaction amounts

	Six month period ended 30 June	
	2025	2024
Interest income	**425**	496
Interest expense	**(174)**	(180)

31.7 Transactions with the Annuity Fund

As at 30 June 2025, apart from the obligations for defined contributions to the Annuity Fund established by the Group and the Bank, Annuity Fund held financial instruments issued by the Bank of RMB1,075 million (31 December 2024: RMB1,138 million).

31.8 Transactions with key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors, Supervisors and Executive Officers.

The Group enters into banking transactions with key management personnel in the normal course of business. During the six month period ended 30 June 2025 and the year ended 31 December 2024, there were no material transactions and balances with key management personnel on an individual basis.

31 Related party transactions (Continued)

31.9 Transactions with Connected Natural Persons

According to China Securities Regulatory Commission's *Administrative Measure for Information Disclosure of Listed Companies*, as at 30 June 2025, the Group's balance of loans and overdrafts to the connected natural persons totalled RMB144 million (as at 31 December 2024: RMB145 million).

31.10 Transactions with subsidiaries

The main transactions with subsidiaries are as follows:

Transaction balances

	As at 30 June 2025	As at 31 December 2024
Due from banks and other financial institutions	**40,951**	44,284
Placements with and loans to banks and other financial institutions and loans and advances to customers	**260,845**	287,940
Due to banks and other financial institutions	**(97,435)**	(101,569)
Placements from banks and other financial institutions	**(143,443)**	(135,512)

Transaction amounts

	Six month period ended 30 June	
	2025	2024
Interest income	**3,635**	4,059
Interest expense	**(3,098)**	(3,579)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

32 Segment reporting

The Group manages the business from both geographic and business perspectives. From the geographic perspective, the Group operates in three principal regions: Chinese mainland; Hong Kong (China), Macao (China) and Taiwan (China); and other countries and regions. From the business perspective, the Group provides services through six main business segments: corporate banking, personal banking, treasury operations, investment banking, insurance and other operations.

Measurement of segment assets, liabilities, income, expenses, results and capital expenditure is based on the Group's accounting policies. The segment information presented includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Funding is provided to and from individual business segments through treasury operations as part of the asset and liability management process. The pricing of these transactions is based on market rates. The transfer price takes into account the specific features and maturities of the product. Internal transactions are eliminated on consolidation. The Group regularly examines the transfer price and adjusts the price to reflect the current situation.

Geographical segments

Chinese mainland – Corporate banking, personal banking, treasury operations, insurance services, etc. are performed in the Chinese mainland.

Hong Kong (China), Macao (China) and Taiwan (China) – Corporate banking, personal banking, treasury operations, investment banking and insurance services are performed in Hong Kong (China), Macao (China) and Taiwan (China). The business of this segment is centralised in BOC Hong Kong (Group) Limited ("BOCHK Group").

Other countries and regions – Corporate and personal banking services are provided in other countries and regions.

Business segments

Corporate banking – Services to corporate customers, government authorities and financial institutions including current accounts, deposits, overdrafts, loans, payments and settlements, trade-related products and other credit facilities, foreign currency, derivative products and wealth management products.

Personal banking – Services to retail customers including savings deposits, personal loans, credit cards and debit cards, payments and settlements, wealth management products and funds and insurance agency services.

Treasury operations – Consisting of foreign exchange transactions, customer-based interest rate and foreign exchange derivative transactions, money market transactions, proprietary trading and asset and liability management. The results of this segment include the intersegment funding income and expenses, resulting from interest-bearing assets and liabilities; and foreign currency translation gains and losses.

Investment banking – Consisting of debt and equity underwriting and financial advisory, sales and trading of securities, stock brokerage, investment research and asset management services, and private equity investment services.

Insurance – Underwriting of general and life insurance business and insurance agency services.

Other – Other operations of the Group comprise investment holding business, leasing business and other miscellaneous activities, none of which constitutes a separately reportable segment.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

32 Segment reporting (Continued)

As at and for the six month period ended 30 June 2025

	Chinese mainland	Hong Kong (China), Macao (China), Taiwan (China)			Other countries and regions	Elimination	Total
		BOCHK Group	Other	Subtotal			
Interest income	392,812	53,409	25,890	79,299	55,639	(24,419)	503,331
Interest expense	(211,983)	(33,278)	(22,852)	(56,130)	(44,751)	24,349	(288,515)
Net interest income	180,829	20,131	3,038	23,169	10,888	(70)	214,816
Fee and commission income	40,616	7,470	2,962	10,432	4,286	(2,225)	53,109
Fee and commission expense	(4,056)	(1,704)	(919)	(2,623)	(1,460)	1,821	(6,318)
Net fee and commission income	36,560	5,766	2,043	7,809	2,826	(404)	46,791
Net trading gains	6,975	16,174	3,669	19,843	1,281	89	28,188
Net gains/(losses) on transfers of financial asset	5,443	(1,027)	215	(812)	210	–	4,841
Other operating income	21,883	1,195	11,989	13,184	95	(380)	34,782
Operating income	251,690	42,239	20,954	63,193	15,300	(765)	329,418
Operating expenses	(90,894)	(13,376)	(11,011)	(24,387)	(4,804)	589	(119,496)
Impairment losses on assets	(53,515)	(3,054)	(1,226)	(4,280)	215	78	(57,502)
Operating profit	107,281	25,809	8,717	34,526	10,711	(98)	152,420
Share of results of associates and joint ventures	262	(5)	342	337	(1)	–	598
Profit before income tax	107,543	25,804	9,059	34,863	10,710	(98)	153,018
Income tax expense							(26,880)
Profit for the period							126,138
Segment assets	30,052,969	3,973,520	1,823,862	5,797,382	2,669,705	(1,770,794)	36,749,262
Investments in associates and joint ventures	25,128	1,141	14,981	16,122	101	–	41,351
Total assets	30,078,097	3,974,661	1,838,843	5,813,504	2,669,806	(1,770,794)	36,790,613
Including: non-current assets [(1)]	112,395	27,389	179,441	206,830	8,265	(4,744)	322,746
Segment liabilities	27,550,552	3,662,317	1,650,860	5,313,177	2,569,100	(1,767,881)	33,664,948
Other segment items:							
Intersegment net interest income/(expense)	751	244	4,802	5,046	(5,727)	(70)	–
Intersegment net fee and commission income/(expense)	442	(41)	126	85	(123)	(404)	–
Capital expenditure	3,823	858	11,161	12,019	101	–	15,943
Depreciation and amortisation	9,706	891	3,373	4,264	415	(498)	13,887
Credit commitments	2,901,819	334,321	70,908	405,229	529,649	(107,141)	3,729,556

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

32 Segment reporting (Continued)

As at 31 December 2024 and for the six month period ended 30 June 2024

		Hong Kong (China), Macao (China), Taiwan (China)					
	Chinese mainland	BOCHK Group	Other	Subtotal	Other countries and regions	Elimination	Total
Interest income	423,420	60,320	30,774	91,094	58,454	(29,974)	542,994
Interest expense	(233,886)	(39,973)	(27,537)	(67,510)	(45,834)	30,996	(316,234)
Net interest income	189,534	20,347	3,237	23,584	12,620	1,022	226,760
Fee and commission income	39,601	6,002	2,703	8,705	3,989	(2,540)	49,755
Fee and commission expense	(4,811)	(1,475)	(847)	(2,322)	(1,420)	1,658	(6,895)
Net fee and commission income	34,790	4,527	1,856	6,383	2,569	(882)	42,860
Net trading gains/(losses)	6,501	7,467	2,185	9,652	(519)	(1,154)	14,480
Net gains/(losses) on transfers of financial asset	3,533	(193)	1,036	843	103	–	4,479
Other operating income	16,475	1,287	11,952	13,239	123	(487)	29,350
Operating income	250,833	33,435	20,266	53,701	14,896	(1,501)	317,929
Operating expenses	(85,249)	(8,508)	(11,066)	(19,574)	(4,473)	1,006	(108,290)
Impairment losses on assets	(57,527)	(1,892)	(1,000)	(2,892)	(338)	178	(60,579)
Operating profit	108,057	23,035	8,200	31,235	10,085	(317)	149,060
Share of results of associates and joint ventures	143	(76)	78	2	(2)	–	143
Profit before income tax	108,200	22,959	8,278	31,237	10,083	(317)	149,203
Income tax expense							(22,667)
Profit for the period							126,536
Segment assets	28,586,217	3,854,421	1,839,926	5,694,347	2,585,541	(1,845,778)	35,020,327
Investments in associates and joint ventures	23,960	1,145	15,762	16,907	105	–	40,972
Total assets	28,610,177	3,855,566	1,855,688	5,711,254	2,585,646	(1,845,778)	35,061,299
Including: non-current assets [(1)]	115,991	28,229	179,176	207,405	8,465	(5,113)	326,748
Segment liabilities	26,227,714	3,558,389	1,669,878	5,228,267	2,495,304	(1,842,950)	32,108,335
Other segment items:							
Intersegment net interest (expense)/income	(552)	(614)	7,126	6,512	(6,982)	1,022	–
Intersegment net fee and commission income/(expense)	602	(60)	407	347	(67)	(882)	–
Capital expenditure	3,919	1,596	1,610	3,206	40	–	7,165
Depreciation and amortisation	10,313	881	3,434	4,315	399	(450)	14,577
Credit commitments	2,905,053	308,547	52,610	361,157	543,917	(100,690)	3,709,437

(1) Non-current assets include property and equipment, investment properties, right-of-use assets, intangible assets and other long-term assets.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

32 Segment reporting (Continued)

As at and for the six month period ended 30 June 2025

	Corporate banking	Personal banking	Treasury operations	Investment banking	Insurance	Other	Elimination	Total
Interest income	240,591	186,653	154,712	1,431	2,336	5,363	(87,755)	503,331
Interest expense	(141,060)	(92,051)	(136,712)	(466)	(191)	(5,796)	87,761	(288,515)
Net interest income/(expense)	99,531	94,602	18,000	965	2,145	(433)	6	214,816
Fee and commission income	18,104	22,112	9,859	4,148	2	1,122	(2,238)	53,109
Fee and commission expense	(642)	(3,894)	(2,084)	(808)	(1)	(78)	1,189	(6,318)
Net fee and commission income	17,462	18,218	7,775	3,340	1	1,044	(1,049)	46,791
Net trading gains	1,895	717	18,347	398	5,885	936	10	28,188
Net gains on transfers of financial asset	379	12	4,367	4	79	–	–	4,841
Other operating income	172	16,495	348	96	7,952	10,921	(1,202)	34,782
Operating income	119,439	130,044	48,837	4,803	16,062	12,468	(2,235)	329,418
Operating expenses	(36,125)	(52,343)	(11,849)	(1,642)	(13,755)	(5,788)	2,006	(119,496)
Impairment losses on assets	(24,009)	(38,132)	5,488	(3)	4	(1,314)	464	(57,502)
Operating profit	59,305	39,569	42,476	3,158	2,311	5,366	235	152,420
Share of results of associates and joint ventures	–	–	–	205	10	460	(77)	598
Profit before income tax	59,305	39,569	42,476	3,363	2,321	5,826	158	153,018
Income tax expense								(26,880)
Profit for the period								126,138
Segment assets	16,397,498	6,788,478	12,548,171	86,291	368,243	752,960	(192,379)	36,749,262
Investments in associates and joint ventures	–	–	–	7,862	351	33,414	(276)	41,351
Total assets	16,397,498	6,788,478	12,548,171	94,153	368,594	786,374	(192,655)	36,790,613
Segment liabilities	15,790,208	12,736,356	4,635,050	45,988	354,920	291,530	(189,104)	33,664,948
Other segment items:								
Intersegment net interest income/(expense)	7,797	78,619	(86,543)	220	1	(94)	–	–
Intersegment net fee and commission income/(expense)	216	799	63	(329)	–	300	(1,049)	–
Capital expenditure	1,098	1,264	58	36	41	13,446	–	15,943
Depreciation and amortisation	4,698	4,670	1,574	229	40	3,322	(646)	13,887
Credit commitments	2,722,217	1,007,339	–	–	–	–	–	3,729,556

(Amounts in millions of Renminbi, unless otherwise stated)

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

32 Segment reporting (Continued)

As at 31 December 2024 and for the six month period ended 30 June 2024

	Corporate banking	Personal banking	Treasury operations	Investment banking	Insurance	Other	Elimination	Total
Interest income	263,295	207,052	144,964	1,568	2,121	5,405	(81,411)	542,994
Interest expense	(160,024)	(101,447)	(129,849)	(163)	(114)	(6,053)	81,416	(316,234)
Net interest income/(expense)	103,271	105,605	15,115	1,405	2,007	(648)	5	226,760
Fee and commission income	20,136	19,368	7,237	3,297	7	962	(1,252)	49,755
Fee and commission expense	(668)	(4,651)	(1,068)	(603)	–	(87)	182	(6,895)
Net fee and commission income	19,468	14,717	6,169	2,694	7	875	(1,070)	42,860
Net trading gains/(losses)	614	183	10,926	(194)	1,384	1,563	4	14,480
Net gains/(losses) on transfers of financial asset	524	7	2,865	(8)	1,103	(12)	–	4,479
Other operating income	175	12,125	237	48	7,183	11,552	(1,970)	29,350
Operating income	124,052	132,637	35,312	3,945	11,684	13,330	(3,031)	317,929
Operating expenses	(36,470)	(48,198)	(10,572)	(1,416)	(8,645)	(5,752)	2,763	(108,290)
Impairment losses on assets	(15,098)	(47,128)	1,850	(22)	(8)	(200)	27	(60,579)
Operating profit	72,484	37,311	26,590	2,507	3,031	7,378	(241)	149,060
Share of results of associates and joint ventures	–	–	–	150	–	56	(63)	143
Profit before income tax	72,484	37,311	26,590	2,657	3,031	7,434	(304)	149,203
Income tax expense								(22,667)
Profit for the period								126,536
Segment assets	15,309,948	6,798,818	11,959,375	84,120	325,041	723,026	(180,001)	35,020,327
Investments in associates and joint ventures	–	–	–	7,679	331	33,244	(282)	40,972
Total assets	15,309,948	6,798,818	11,959,375	91,799	325,372	756,270	(180,283)	35,061,299
Segment liabilities	15,311,537	11,969,313	4,315,170	46,045	311,550	330,982	(176,262)	32,108,335
Other segment items:								
Intersegment net interest income/(expense)	3,059	77,759	(80,822)	373	4	(373)	–	–
Intersegment net fee and commission income/(expense)	202	713	51	(175)	–	279	(1,070)	–
Capital expenditure	1,152	1,329	61	36	88	4,499	–	7,165
Depreciation and amortisation	5,086	5,017	1,518	220	22	3,357	(643)	14,577
Credit commitments	2,595,805	1,113,632	–	–	–	–	–	3,709,437

33 Transfers of financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose entities. In some cases where these transferred financial assets qualify for derecognition, the transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

Repurchase agreements and securities lending transactions

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and securities lent in securities lending transactions. Under this type of repurchase agreements, the counterparties are allowed to sell or re-pledge those securities in the absence of default by the Group, but have an obligation to return the securities upon maturity of the contract. The Group has determined that the Group retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Group recognises a financial liability for cash received under repurchase agreements.

The following table analyses the carrying amount of the financial assets transferred to third parties that did not qualify for derecognition and their associated financial liabilities of repurchase agreements:

	As at 30 June 2025		As at 31 December 2024	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	**25,381**	**24,400**	86,957	84,167

Credit assets transfers

The Group enters into credit asset transfers in the normal course of business during which it transfers credit assets to special purpose entities which in turn issue asset-backed securities or fund shares to investors. The Group may acquire some asset-backed securities and fund shares at the subordinated tranche level, and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

33 Transfers of financial assets (Continued)

Credit assets transfers (Continued)

With respect to the credit assets that were securitised and qualified for derecognition, the Group derecognises the transferred credit assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in such securitisation transactions was RMB473 million as at 30 June 2025 (31 December 2024: RMB436 million), which also approximates the Group's maximum exposure to loss.

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the transferred credit assets are recognised in the statement of financial position to the extent of the Group's continuing involvement. For the six month periods ended 30 June 2025 and 30 June 2024, there was no credit asset transfer transaction which resulted in new continuing involvement through acquiring tranches by the Group and the carrying amount of assets that the Group continues to recognise in the statement of financial position was RMB16,403 million as at 30 June 2025 (31 December 2024: RMB17,851 million).

34 Interests in structured entities

The Group is principally involved with structured entities through financial investments, asset management and credit assets transfers. These structured entities generally finance the purchase of assets by issuing securities or by other means. The Group determines whether or not to consolidate these structured entities depending on whether the Group has control over them.

34.1 Unconsolidated structured entities

Structured entities sponsored and managed by the Group

In conducting the asset management business, the Group established various structured entities to provide customers specialised investment opportunities within well-defined objectives and narrow range, including wealth management products, funds and asset management plans. The Group earned management fee, commission and custodian fee in return.

As at 30 June 2025, after considering the impact of relevant joint activities of structured entities within the Group, the balance of wealth management products sponsored and managed by the Group amounted to RMB1,858,191 million (31 December 2024: RMB1,884,057 million), and funds and asset management plans amounted to RMB1,199,351 million (31 December 2024: RMB1,028,755 million).

For the six month period ended 30 June 2025, the above-mentioned commission, custodian fees and management fees amounted to RMB4,669 million (Six month period ended 30 June 2024: RMB3,823 million).

34 Interests in structured entities (Continued)

34.1 Unconsolidated structured entities (Continued)

Structured entities sponsored and managed by the Group (Continued)

For the purpose of asset-liability management, wealth management products may require short-term financing from the Group and other banks. The Group is not contractually obliged to provide any financing to these products. The Group may enter into reverse repurchase and placement transactions with these wealth management products in accordance with market principles. Such financing provided by the Group was included in "Placements with and loans to banks and other financial institutions". For the six month periods ended 30 June 2025 and 30 June 2024, the Group did not provide any such financing. As at 30 June 2025 and 31 December 2024, the Group did not have any outstanding financing balance and there was no such exposure to these wealth management products.

In addition, the total carrying amount as at the transfer date of credit assets transferred by the Group into the unconsolidated structured entities was RMB3,046 million for the six month period ended 30 June 2025 (Six month period ended 30 June 2024: RMB3,027 million). For the description of the portion of asset-backed securities issued by the above structured entities and held by the Group, refer to Note III.33.

Structured entities sponsored by other financial institutions

The structured entities sponsored by other financial institutions in which the Group holds investments are set out below:

Structured entity type	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	Maximum exposure to loss
As at 30 June 2025					
Fund investments	**100,633**	**–**	**–**	**100,633**	**100,633**
Investment trusts and asset management plans	**2,539**	**6,475**	**17,447**	**26,461**	**26,461**
Asset-backed securitisations	**–**	**135,263**	**74,045**	**209,308**	**209,308**
As at 31 December 2024					
Fund investments	89,482	–	–	89,482	89,482
Investment trusts and asset management plans	2,483	6,188	20,454	29,125	29,125
Asset-backed securitisations	54	109,888	77,560	187,502	187,502

III NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT ITEMS (Continued)

34 Interests in structured entities (Continued)

34.2 Consolidated structured entities

The Group's consolidated structured entities mainly consist of open-end funds, private equity funds, trusts for asset-backed securities, and special-purpose companies. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

35 Events after the financial reporting period

Issuance of 2025 Undated Capital Bonds (Series 1)

On 22 July 2025, the Bank issued write-down undated capital bonds amounting to RMB30 billion and completed the issuance on 24 July 2025. The issuance details have been set out in the Bank's announcement dated 24 July 2025.

Issuance of 2025 Undated Capital Bonds (Series 2)

On 22 August 2025, the Bank issued write-down undated capital bonds amounting to RMB40 billion and completed the issuance on 26 August 2025. The issuance details have been set out in the Bank's announcement dated 26 August 2025.

Issuance of 2025 Total Loss-absorbing Capacity Eligible Non-capital Bonds (Series 1)

On 8 July 2025, the Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds amounting to RMB50 billion and completed the issuance on 10 July 2025. The issuance details have been set out in the Bank's announcement dated 10 July 2025.

Issuance of 2025 Total Loss-absorbing Capacity Eligible Non-capital Bonds (Series 2)

On 15 August 2025, the Bank issued Total Loss-absorbing Capacity Eligible Non-capital Bonds amounting to RMB50 billion and completed the issuance on 19 August 2025. The issuance details have been set out in the Bank's announcement dated 19 August 2025.

Redemption Arrangement of 2020 RMB Tier 2 Capital Bonds First Tranche 01

According to the relevant terms and conditions in the prospectus for the issuance of the 2020 RMB Tier 2 Capital Bonds First Tranche 01, the bonds are subject to the redemption option of the issuer. The Bank issued a redemption announcement on 20 August 2025. The redemption date is 21 September 2025, and the redemption amount is RMB60 billion.

The Contribution of Subscription Capital for State-level Funds

In July 2025, the Bank completed the second installment of contribution of RMB1,182.5 million to subscribe for the shares of the National Integrated Circuit Industry Investment Fund Phase III Co., Ltd.

IV FINANCIAL RISK MANAGEMENT

1 Credit risk

1.1 Loans and advances

(1) Concentrations of risk for loans and advances to customers

(i) Analysis of loans and advances to customers by geographical area

Group

	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Chinese mainland	**19,885,303**	**86.43%**	18,498,005	85.86%
Hong Kong (China), Macao (China), Taiwan (China)	**2,021,938**	**8.79%**	2,000,471	9.29%
Other countries and regions	**1,099,065**	**4.78%**	1,045,109	4.85%
Total	**23,006,306**	**100.00%**	21,543,585	100.00%

Chinese mainland

	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Northern China	**2,924,381**	**14.71%**	2,697,846	14.58%
Northeastern China	**723,454**	**3.64%**	693,359	3.75%
Eastern China	**8,173,534**	**41.10%**	7,600,261	41.09%
Central and Southern China	**5,419,956**	**27.25%**	5,084,339	27.49%
Western China	**2,643,978**	**13.30%**	2,422,200	13.09%
Total	**19,885,303**	**100.00%**	18,498,005	100.00%

(ii) Analysis of loans and advances to customers by customer type

	Chinese mainland	Hong Kong (China), Macao (China), Taiwan (China)	Other countries and regions	Total
As at 30 June 2025				
Corporate loans and advances				
— Trade bills	**2,093,273**	**66,910**	**97,249**	**2,257,432**
— Other	**11,720,277**	**1,237,052**	**928,400**	**13,885,729**
Personal loans	**6,071,753**	**717,976**	**73,416**	**6,863,145**
Total	**19,885,303**	**2,021,938**	**1,099,065**	**23,006,306**
As at 31 December 2024				
Corporate loans and advances				
— Trade bills	1,845,092	57,996	108,770	2,011,858
— Other	10,621,217	1,214,105	871,369	12,706,691
Personal loans	6,031,696	728,370	64,970	6,825,036
Total	18,498,005	2,000,471	1,045,109	21,543,585

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iii) Analysis of loans and advances to customers by industry

Group

	As at 30 June 2025		As at 31 December 2024	
	Amount	**% of total**	**Amount**	**% of total**
Corporate loans and advances				
Commerce and services	**4,226,633**	**18.37%**	3,635,583	16.86%
Manufacturing	**3,392,924**	**14.75%**	3,034,553	14.09%
Transportation, storage and postal services	**2,542,704**	**11.05%**	2,420,419	11.23%
Production and supply of electricity, heating, gas and water	**1,679,481**	**7.30%**	1,535,592	7.13%
Real estate	**1,575,534**	**6.85%**	1,542,698	7.16%
Financial services	**826,656**	**3.59%**	772,646	3.59%
Construction	**600,466**	**2.61%**	534,358	2.48%
Water, environment and public utility management	**498,303**	**2.17%**	482,614	2.24%
Mining	**387,268**	**1.68%**	371,662	1.73%
Public utilities	**264,903**	**1.15%**	255,764	1.19%
Other	**148,289**	**0.65%**	132,660	0.62%
Subtotal	**16,143,161**	**70.17%**	14,718,549	68.32%
Personal loans				
Residential mortgages	**4,667,943**	**20.29%**	4,660,914	21.63%
Credit cards	**522,499**	**2.27%**	606,717	2.82%
Other	**1,672,703**	**7.27%**	1,557,405	7.23%
Subtotal	**6,863,145**	**29.83%**	6,825,036	31.68%
Total	**23,006,306**	**100.00%**	21,543,585	100.00%

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iii) Analysis of loans and advances to customers by industry (Continued)

Chinese mainland

	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Commerce and services	**3,764,743**	**18.93%**	3,184,738	17.22%
Manufacturing	**3,069,654**	**15.44%**	2,732,283	14.77%
Transportation, storage and postal services	**2,341,112**	**11.77%**	2,227,840	12.04%
Production and supply of electricity, heating, gas and water	**1,387,365**	**6.98%**	1,272,285	6.88%
Real estate	**1,015,895**	**5.11%**	967,297	5.23%
Financial services	**569,190**	**2.86%**	538,497	2.91%
Construction	**561,358**	**2.82%**	493,051	2.67%
Water, environment and public utility management	**488,928**	**2.46%**	476,392	2.57%
Mining	**282,847**	**1.42%**	259,771	1.40%
Public utilities	**235,422**	**1.19%**	227,207	1.23%
Other	**97,036**	**0.49%**	86,948	0.47%
Subtotal	**13,813,550**	**69.47%**	12,466,309	67.39%
Personal loans				
Residential mortgages	**4,085,289**	**20.54%**	4,089,266	22.11%
Credit cards	**510,969**	**2.57%**	593,403	3.21%
Other	**1,475,495**	**7.42%**	1,349,027	7.29%
Subtotal	**6,071,753**	**30.53%**	6,031,696	32.61%
Total	**19,885,303**	**100.00%**	18,498,005	100.00%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(1) Concentrations of risk for loans and advances to customers (Continued)

(iv) Analysis of loans and advances to customers by collateral type

Group

	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Unsecured loans	9,171,863	39.87%	8,303,987	38.54%
Guaranteed loans	3,427,049	14.89%	2,962,636	13.75%
Loans secured by mortgages	8,251,890	35.87%	8,082,236	37.52%
Pledged loans	2,155,504	9.37%	2,194,726	10.19%
Total	23,006,306	100.00%	21,543,585	100.00%

Chinese mainland

	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total	Amount	% of total
Unsecured loans	7,754,593	39.00%	6,999,964	37.84%
Guaranteed loans	3,013,481	15.15%	2,594,743	14.03%
Loans secured by mortgages	7,298,087	36.70%	7,096,523	38.36%
Pledged loans	1,819,142	9.15%	1,806,775	9.77%
Total	19,885,303	100.00%	18,498,005	100.00%

(2) Analysis of impaired loans and advances to customers

(i) Impaired loans and advances by geographical area

Group

	As at 30 June 2025			As at 31 December 2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland	234,196	82.27%	1.18%	216,089	80.40%	1.17%
Hong Kong (China), Macao (China), Taiwan (China)	36,446	12.81%	1.80%	38,304	14.25%	1.91%
Other countries and regions	14,014	4.92%	1.28%	14,388	5.35%	1.38%
Total	284,656	100.00%	1.24%	268,781	100.00%	1.25%

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(i) Impaired loans and advances by geographical area (Continued)

Chinese mainland

	As at 30 June 2025			As at 31 December 2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Northern China	**32,693**	**13.96%**	**1.12%**	31,827	14.73%	1.18%
Northeastern China	**13,251**	**5.66%**	**1.83%**	11,846	5.48%	1.71%
Eastern China	**74,538**	**31.83%**	**0.91%**	68,429	31.67%	0.90%
Central and Southern China	**82,921**	**35.40%**	**1.53%**	73,653	34.08%	1.45%
Western China	**30,793**	**13.15%**	**1.16%**	30,334	14.04%	1.25%
Total	**234,196**	**100.00%**	**1.18%**	216,089	100.00%	1.17%

(ii) Impaired loans and advances by customer type

Group

	As at 30 June 2025			As at 31 December 2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	**212,033**	**74.49%**	**1.31%**	207,644	77.25%	1.41%
Personal loans	**72,623**	**25.51%**	**1.06%**	61,137	22.75%	0.90%
Total	**284,656**	**100.00%**	**1.24%**	268,781	100.00%	1.25%

Chinese mainland

	As at 30 June 2025			As at 31 December 2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Corporate loans and advances	**164,340**	**70.17%**	**1.19%**	157,394	72.84%	1.26%
Personal loans	**69,856**	**29.83%**	**1.15%**	58,695	27.16%	0.97%
Total	**234,196**	**100.00%**	**1.18%**	216,089	100.00%	1.17%

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(iii) Impaired loans and advances by geographical area and industry

	As at 30 June 2025			As at 31 December 2024		
	Amount	% of total	Impaired loan ratio	Amount	% of total	Impaired loan ratio
Chinese mainland						
Corporate loans and advances						
Commerce and services	**47,592**	**16.72%**	**1.26%**	43,274	16.10%	1.36%
Manufacturing	**26,851**	**9.43%**	**0.87%**	29,485	10.97%	1.08%
Transportation, storage and postal services	**5,739**	**2.02%**	**0.25%**	6,138	2.28%	0.28%
Production and supply of electricity, heating, gas and water	**10,474**	**3.68%**	**0.75%**	11,562	4.30%	0.91%
Real estate	**54,699**	**19.21%**	**5.38%**	47,799	17.78%	4.94%
Financial services	**2**	**0.00%**	**0.00%**	145	0.05%	0.03%
Construction	**7,021**	**2.47%**	**1.25%**	7,047	2.62%	1.43%
Water, environment and public utility management	**4,777**	**1.68%**	**0.98%**	5,258	1.96%	1.10%
Mining	**2,380**	**0.84%**	**0.84%**	2,401	0.90%	0.92%
Public utilities	**3,539**	**1.24%**	**1.50%**	2,904	1.08%	1.28%
Other	**1,266**	**0.44%**	**1.30%**	1,381	0.52%	1.59%
Subtotal	**164,340**	**57.73%**	**1.19%**	157,394	58.56%	1.26%
Personal loans						
Residential mortgages	**30,288**	**10.64%**	**0.74%**	25,141	9.36%	0.61%
Credit cards	**9,849**	**3.46%**	**1.93%**	10,272	3.82%	1.73%
Other	**29,719**	**10.44%**	**2.01%**	23,282	8.66%	1.73%
Subtotal	**69,856**	**24.54%**	**1.15%**	58,695	21.84%	0.97%
Total for Chinese mainland	**234,196**	**82.27%**	**1.18%**	216,089	80.40%	1.17%
Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions	**50,460**	**17.73%**	**1.62%**	52,692	19.60%	1.73%
Total	**284,656**	**100.00%**	**1.24%**	268,781	100.00%	1.25%

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(2) Analysis of impaired loans and advances to customers (Continued)

(iv) Impaired loans and advances and related allowance by geographical area

	Impaired loans	Allowance for impairment losses	Net
As at 30 June 2025			
Chinese mainland	**234,196**	**(175,812)**	**58,384**
Hong Kong (China), Macao (China), Taiwan (China)	**36,446**	**(13,965)**	**22,481**
Other countries and regions	**14,014**	**(8,474)**	**5,540**
Total	**284,656**	**(198,251)**	**86,405**
As at 31 December 2024			
Chinese mainland	216,089	(161,597)	54,492
Hong Kong (China), Macao (China), Taiwan (China)	38,304	(16,490)	21,814
Other countries and regions	14,388	(8,444)	5,944
Total	268,781	(186,531)	82,250

(3) Rescheduled loans and advances

The Group adopts the *Measures for Risk Classification of Financial Assets of Commercial Banks* (CBIRC PBC Order [2023] No. 1) for its rescheduled loans and advances to customers.

As at 30 June 2025 and 31 December 2024, the amount of rescheduled loans and advances that were not more than 90 days overdue was not material.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.1 Loans and advances (Continued)

(4) Overdue loans and advances to customers

Analysis of overdue loans and advances by geographical area

	As at 30 June 2025	As at 31 December 2024
Chinese mainland	**256,817**	208,965
Hong Kong (China), Macao (China), Taiwan (China)	**34,878**	37,126
Other countries and regions	**10,870**	10,008
Subtotal	**302,565**	256,099
Percentage	**1.32%**	1.19%
Less: total loans and advances to customers which have been overdue for less than 3 months	**(105,642)**	(77,785)
Total loans and advances to customers which have been overdue for more than 3 months	**196,923**	178,314

(5) Loans and advances by three-staging classification

Loans and advances to customers by five-category loan classification and three-staging classification are analysed as follows:

	12-month ECL	Lifetime ECL		
	Stage 1	Stage 2	Stage 3	Total
As at 30 June 2025				
Pass	**22,164,710**	**203,965**	**–**	**22,368,675**
Special-mention	**–**	**330,017**	**–**	**330,017**
Substandard	**–**	**–**	**69,090**	**69,090**
Doubtful	**–**	**–**	**81,183**	**81,183**
Loss	**–**	**–**	**134,383**	**134,383**
Total	**22,164,710**	**533,982**	**284,656**	**22,983,348**
As at 31 December 2024				
Pass	20,811,720	143,538	–	20,955,258
Special-mention	–	315,972	–	315,972
Substandard	–	–	68,554	68,554
Doubtful	–	–	94,703	94,703
Loss	–	–	105,474	105,474
Total	20,811,720	459,510	268,731	21,539,961

As at 30 June 2025 and 31 December 2024, loans and advances by five-category loan classification and three-staging classification did not include loans and advances to customers measured at fair value through profit or loss.

(6) Credit commitments

As at 30 June 2025 and 31 December 2024, credit risk exposures of credit commitments were mainly classified under Stage 1 and categorised as "Pass" in the five-category classifications.

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.2 Debt securities

The Group adopted a credit rating approach to manage the credit risk of the debt securities by referring to both internal and external credit rating. The carrying amounts (accrued interest excluded) of the debt investments analysed by external credit ratings at the financial reporting dates are as follows:

	Unrated	A to AAA	Lower than A	Total
As at 30 June 2025				
Issuers in Chinese mainland				
— Government	**33,893**	**4,657,484**	**–**	**4,691,377**
— Public sectors and quasi-governments	**143,120**	**20,972**	**–**	**164,092**
— Policy banks	**–**	**879,064**	**–**	**879,064**
— Financial institutions	**10,134**	**339,692**	**319,706**	**669,532**
— Corporate	**93,034**	**120,754**	**34,603**	**248,391**
— China Orient	**152,433**	**–**	**–**	**152,433**
Subtotal	**432,614**	**6,017,966**	**354,309**	**6,804,889**
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions				
— Governments	**21,385**	**1,148,032**	**30,344**	**1,199,761**
— Public sectors and quasi-governments	**123,675**	**242,488**	**141**	**366,304**
— Financial institutions	**3,892**	**296,889**	**48,053**	**348,834**
— Corporate	**9,836**	**82,761**	**36,157**	**128,754**
Subtotal	**158,788**	**1,770,170**	**114,695**	**2,043,653**
Total	**591,402**	**7,788,136**	**469,004**	**8,848,542**
As at 31 December 2024				
Issuers in Chinese mainland				
— Government	30,204	4,265,597	–	4,295,801
— Public sectors and quasi-governments	140,045	15,527	–	155,572
— Policy banks	–	847,708	–	847,708
— Financial institutions	12,598	238,157	245,921	496,676
— Corporate	90,996	71,281	40,614	202,891
— China Orient	152,433	–	–	152,433
Subtotal	426,276	5,438,270	286,535	6,151,081
Issuers in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions				
— Governments	16,484	1,075,875	28,691	1,121,050
— Public sectors and quasi-governments	140,321	156,620	140	297,081
— Financial institutions	1,915	231,856	51,995	285,766
— Corporate	8,708	88,752	41,659	139,119
Subtotal	167,428	1,553,103	122,485	1,843,016
Total	593,704	6,991,373	409,020	7,994,097

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL

The Group conducts assessments of ECL with reference to forward-looking information and uses a number of models and assumptions in its measurement of expected credit losses. These models and assumptions relate to the future macroeconomic conditions and borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group uses judgements, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards which include:

- Segmentation of financial instruments based on credit risk characteristics for losses
- Criteria for determining significant increases in credit risk
- Definition of default and credit-impaired financial assets
- Parameters for measuring ECL
- Forward-looking information

There were no significant changes in the estimation techniques and such assumptions during the reporting period.

The Bank has not applied management overlay.

(1) Segmentation of financial instruments based on credit risk characteristics for losses

When measuring ECL on a collective basis, the Group classifies its credit risk exposures into corporate business, interbank business, personal loans, credit cards, and bond business exposures according to its business type, and into domestic and overseas business exposures according to its business regions. When further subdividing the credit risk exposures, the Group obtains sufficient information and segments them according to credit risk characteristics such as product types, customer types, customer risk factors, usage of funds, etc. and then calculates ECL for exposures with shared risk characteristics on a collective basis to ensure its statistical reliability.

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL (Continued)

(2) Criteria for determining significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each financial reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on the historical data, external credit risk rating, and forward-looking information. Based on an individual financial instrument or a group of financial instruments with shared credit risk characteristics, the Group compares the risk of default of financial instruments at the financial reporting date with that at the date of initial recognition in order to determine the changes in default risk over the expected lifetime of financial instruments.

(3) Definition of default and credit-impaired financial assets

The Group considers a financial asset as defaulted when it is credit-impaired. The standard adopted by the Group in determining whether a financial instrument is credit-impaired is consistent with the internal credit risk management objectives, taking into account quantitative and qualitative criteria.

(4) Parameters for measuring ECL

According to whether the credit risk has significantly increased and whether the asset is credit-impaired, the Group measures the impairment allowance for different assets with ECL of the next 12 months or throughout the entire lifetime. The key parameters in ECL measurement include probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). Based on the current New Basel Capital Accord used in risk management and the requirements of IFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral) and forward-looking information in order to establish the models for estimating PD, LGD and EAD in accordance with the requirement of IFRS 9.

The Group regularly conducts parameter update of the ECL models.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.3 Measurement of ECL (Continued)

(5) Forward-looking information

The Group conducted an assessment of ECL according to forward-looking information and used a number of models and assumptions in the measurement of ECL. In assessing the ECL as at 30 June 2025, the Group has taken into account the impact of changes in current economic environment to the ECL model, including: individual borrower's operating and financial conditions and degree of impact from the economic environment, environmental and climate change impact, and industry-specific risks.

The Group identifies key macroeconomic indicators that affect the credit risk and ECL of various business types, such as country or region local GDP, Completion Index of Fixed Assets Investment, Producer Price Index, Home Price Index, Consumer Price Index, etc., based on the statistical analysis of historical data.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group applies experts' judgement in this analysis, and according to the result, the Group predicts these economic indicators regularly for respective regions and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

The Group conducts statistical analysis using experts' judgement to determine multiple economic scenarios and their respective weightings. In addition to the baseline scenario, optimistic scenario and pessimistic scenario, the Group also considers situation under stress. As at 30 June 2025, the baseline scenario has the highest weighting with the remaining individual scenarios having a weighting of lower than 30%. The Group measures the credit loss allowance based on probability weighted ECL under different scenarios.

The Group updated relevant forward-looking parameters used in the models measuring ECL based on changes in macroeconomic environment during the reporting period. Amongst these parameters, the annualised value of core one adopted by Chinese mainland in assessing the ECL as at 30 June 2025 under the baseline scenario is as follows:

Indicator	Range
Average Growth Rate of China's GDP in 2025-2027	**Around 5.0%**

As at 30 June 2025, the ECL reflected the Group's credit risk and management's expectations for macroeconomic development.

IV FINANCIAL RISK MANAGEMENT (Continued)

1 Credit risk (Continued)

1.4 Derivatives

The risk-weighted assets for counterparty credit risk ("CCR") of derivatives of the Group are calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations under the standardised approach. For derivative transactions, risk-weighted assets for CCR include the risk-weighted assets for default risk, the risk-weighted assets for credit valuation adjustment ("CVA") and the risk-weighted assets for central counterparties ("CCPs").

The risk-weighted assets for the CCR of derivatives are as follows:

	As at 30 June 2025	As at 31 December 2024
Risk-weighted assets for default risk		
Currency derivatives	**68,449**	64,061
Interest rate derivatives	**8,358**	6,181
Equity derivatives	**861**	481
Commodity derivatives and other	**11,789**	5,740
	89,457	76,463
Risk-weighted assets for CVA	**30,523**	29,943
Risk-weighted assets for CCPs	**3,595**	4,829
Total	**123,575**	111,235

1.5 Repossessed assets

The Group obtains assets by taking possession of collateral held as security. Detailed information of such repossessed assets of the Group is disclosed in Note III.21.

2 Market risk

2.1 Market risk measurement techniques and limits

(1) Trading book

For the purpose of market risk management in the trading book, the Group monitors trading book Value at Risk (VaR) limits, stress testing results and exposure limits and tracks each trading desk and dealer's observance of each limit on a daily basis.

VaR is used to estimate the largest potential loss arising from adverse market movements in a specific holding period and within a certain confidence level.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(1) Trading book (Continued)

VaR is performed separately by the Bank and its major subsidiaries that are exposed to market risk, BOCHK (Holdings) and BOCI. The Bank, BOCHK (Holdings) and BOCI used a 99% level of confidence (therefore, statistical probability of 1% that actual losses could be greater than the VaR estimate) and a historical simulation model to calculate the VaR estimate. The holding period of the VaR calculations is one day. To enhance the Group's market risk management, the Group has established the market risk data mart, which enabled a group level trading book VaR calculation on a daily basis.

The Group utilises stress testing as an effective supplement to the trading book VaR analysis. Stress testing scenarios are performed based on the characteristics of trading transactions to simulate and estimate losses in adverse and exceptional market conditions. To address changes in the financial markets, the Group enhances its market risk identification capabilities by continuously adjusting and enhancing the trading book stress testing scenarios and measurement methodologies in order to capture the potential impact to transaction market prices stemming from changes in market prices and volatility.

The table below shows the VaR of the trading book by type of risk for the six month periods ended 30 June 2025 and 30 June 2024:

	Six month period ended 30 June					
	2025			2024		
	Average	High	Low	Average	High	Low
The Bank's trading VaR						
Interest rate risk	**95.54**	**134.65**	**74.40**	141.53	170.90	106.11
Foreign exchange risk	**71.12**	**147.75**	**12.50**	243.66	359.13	180.56
Volatility risk	**6.83**	**17.80**	**3.40**	4.54	7.88	2.58
Commodity risk	**46.44**	**112.90**	**0.77**	1.16	12.30	0.20
Total of the Bank's trading VaR	**128.85**	**180.07**	**102.72**	257.89	361.34	201.29

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(1) Trading book (Continued)

Unit: USD million

	Six month period ended 30 June					
	2025			2024		
	Average	High	Low	Average	High	Low
BOCHK (Holdings)'s trading VaR						
Interest rate risk	**14.54**	**17.14**	**12.80**	11.59	17.81	8.18
Foreign exchange risk	**5.32**	**6.82**	**4.03**	5.21	8.22	3.32
Equity risk	**1.05**	**1.33**	**0.61**	0.21	1.02	0.04
Commodity risk	**1.54**	**5.09**	**0.01**	0.27	0.98	0.00
Total BOCHK (Holdings)'s trading VaR	**15.14**	**19.41**	**12.09**	11.46	17.75	8.68
BOCI's trading VaR (i)						
Equity derivatives unit	**0.54**	**0.98**	**0.25**	0.39	0.89	0.16
Fixed income unit	**0.64**	**0.80**	**0.57**	1.05	1.75	0.52
Global commodity unit	**0.22**	**0.29**	**0.20**	0.32	0.48	0.20
Total BOCI's trading VaR	**0.95**	**1.37**	**0.75**	1.76	2.75	1.08

(i) BOCI monitors its trading VaR for equity derivatives unit, fixed income unit and global commodity unit separately, which include equity risk, interest rate risk, foreign exchange risk and commodity risk.

VaR for each risk factor is the independently derived largest potential loss in a specific holding period and within a certain confidence level due to fluctuations solely in that risk factor. The individual VaRs were not added up to the total VaR as there was a diversification effect due to correlation amongst the risk factors.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.1 Market risk measurement techniques and limits (Continued)

(2) Banking book

Interest rate risk in the banking book ("IRRBB") refers to the risk of losses to a bank's economic value and to its overall earnings of banking book, arising from adverse movements in interest rates level or term structure. IRRBB mainly comes from repricing gaps between assets and liabilities in the banking book, and differences in changes in benchmarking interest rates for assets and liabilities. The Group is exposed to interest rate risk and fluctuations in market interest rates that will impact the Group's financial position.

The Group assesses IRRBB primarily through an interest rate repricing gap analysis. Interest rate repricing gap analysis measures the difference between the amount of interest-earning assets and interest-bearing liabilities that must be repriced within certain periods. The Group employs the interest rate repricing gap analysis and takes the impact of the off-balance sheet business into consideration when calculating the indications of sensitivity of earnings to changing interest rates. The interest rate gap analysis is set out in Note IV.2.2 and also covers the trading book.

Sensitivity analysis on net interest income

Sensitivity analysis on net interest income assumes that yield curves change in parallel while the structure of assets and liabilities remains unchanged, and does not take into consideration changes in customer behaviour, basis risk, etc. The Group made timely adjustments to the structure of its assets and liabilities, optimised the internal and external pricing strategy or implemented risk hedging based on changes in the market situation, and controlled the fluctuation of net interest income within an acceptable level.

The table below illustrates the potential impact of a 25 basis points interest rate move on the net interest income of the Group for the next 12 months from the reporting date. The actual situation may be different from the assumptions used and it is possible that actual outcomes could differ from the estimated impact on net interest income of the Group.

	Effect on Net Interest Income	
	As at 30 June 2025	**As at 31 December 2024**
+25 basis points	**(6,026)**	(3,443)
–25 basis points	**6,026**	3,443

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.2 GAP analysis

The tables below summarise the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	As at 30 June 2025						
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and due from banks and other financial institutions	384,283	32,739	44,561	3,948	516	81,949	547,996
Balances with central banks	2,127,724	1,424	676	2,183	–	136,220	2,268,227
Placements with and loans to banks and other financial institutions	511,305	213,674	354,721	78,677	–	4,528	1,162,905
Derivative financial assets	–	–	–	–	–	142,647	142,647
Loans and advances to customers, net	4,481,281	4,966,409	12,141,635	605,764	102,501	190,588	22,488,178
Financial investments							
— Financial assets at fair value through profit or loss	29,874	52,580	169,854	122,982	92,399	237,235	704,924
— Financial assets at fair value through other comprehensive income	454,114	362,890	713,952	1,707,386	1,421,918	54,122	4,714,382
— Financial assets at amortised cost	85,045	110,950	508,669	1,236,117	1,863,605	2,108	3,806,494
Other financial assets	–	–	–	–	–	514,588	514,588
Total financial assets	**8,073,626**	**5,740,666**	**13,934,068**	**3,757,057**	**3,480,939**	**1,363,985**	**36,350,341**
Liabilities							
Due to banks and other financial institutions	1,533,535	241,788	697,878	110,199	–	60,290	2,643,690
Due to central banks	547,111	323,265	661,252	–	–	13,506	1,545,134
Placements from banks and other financial institutions	276,970	93,317	124,999	13,472	303	23,832	532,893
Derivative financial liabilities	–	–	–	–	–	132,010	132,010
Due to customers	12,396,607	2,417,639	5,241,359	4,905,731	184	676,792	25,638,312
Bonds issued	161,606	371,711	835,072	552,998	216,730	14,430	2,152,547
Other financial liabilities	13,260	32,860	7,052	2,384	758	737,689	794,003
Total financial liabilities	**14,929,089**	**3,480,580**	**7,567,612**	**5,584,784**	**217,975**	**1,658,549**	**33,438,589**
Total interest repricing gap	**(6,855,463)**	**2,260,086**	**6,366,456**	**(1,827,727)**	**3,262,964**	**(294,564)**	**2,911,752**

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.2 GAP analysis (Continued)

	As at 31 December 2024						
	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and due from banks and other financial institutions	463,706	29,438	10,725	2,649	–	75,930	582,448
Balances with central banks	2,290,742	6,863	2,119	338	–	167,795	2,467,857
Placements with and loans to banks and other financial institutions	804,732	229,640	336,554	66,024	–	5,122	1,442,072
Derivative financial assets	–	–	–	–	–	183,177	183,177
Loans and advances to customers, net	5,085,790	4,372,572	10,577,845	680,920	118,180	219,975	21,055,282
Financial investments							
— Financial assets at fair value through profit or loss	8,560	54,757	109,619	95,771	103,020	228,570	600,297
— Financial assets at fair value through other comprehensive income	319,764	374,458	606,682	1,683,275	1,355,758	49,008	4,388,945
— Financial assets at amortised cost	42,128	212,264	347,542	1,167,395	1,599,350	2,356	3,371,035
Other financial assets	–	–	–	17,851	–	290,465	308,316
Total financial assets	9,015,422	5,279,992	11,991,086	3,714,223	3,176,308	1,222,398	34,399,429
Liabilities							
Due to banks and other financial institutions	1,720,788	408,925	627,641	110,539	–	65,859	2,933,752
Due to central banks	180,866	358,219	562,609	–	–	10,322	1,112,016
Placements from banks and other financial institutions	376,518	67,317	131,288	28,259	–	3,819	607,201
Derivative financial liabilities	–	–	–	–	–	153,456	153,456
Due to customers	11,608,309	2,432,114	4,391,581	5,176,206	185	594,193	24,202,588
Bonds issued	98,663	276,875	915,155	532,585	220,320	12,951	2,056,549
Other financial liabilities	26,529	11,560	20,382	26,333	218	526,312	611,334
Total financial liabilities	14,011,673	3,555,010	6,648,656	5,873,922	220,723	1,366,912	31,676,896
Total interest repricing gap	(4,996,251)	1,724,982	5,342,430	(2,159,699)	2,955,585	(144,514)	2,722,533

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.3 Foreign currency risk

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2025 and 31 December 2024. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the tables are the carrying amounts of the assets and liabilities of the Group along with off-balance sheet positions and credit commitments in RMB equivalent, categorised by the original currencies. Derivative financial instruments are included in net off-balance sheet position using notional amounts.

	As at 30 June 2025							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
Assets								
Cash and due from banks and other financial institutions	194,431	249,259	27,183	26,289	21,935	5,487	23,412	547,996
Balances with central banks	1,732,776	225,202	35,249	107,100	37,091	60,335	70,474	2,268,227
Placements with and loans to banks and other financial institutions	624,264	425,648	32,179	11,262	6,086	1,159	62,307	1,162,905
Derivative financial assets	74,619	38,515	5,771	2,280	3,869	7,495	10,098	142,647
Loans and advances to customers, net	19,424,552	1,033,252	1,213,950	290,327	28,222	86,860	411,015	22,488,178
Financial investments								
— Financial assets at fair value through profit or loss	421,815	146,194	119,651	13,903	785	1,374	1,202	704,924
— Financial assets at fair value through other comprehensive income	3,063,679	845,829	351,977	78,662	112,442	15,024	246,769	4,714,382
— Financial assets at amortised cost	3,402,035	301,618	19,382	14,524	–	3,050	65,885	3,806,494
Other	317,545	183,260	282,427	4,008	1,298	2,169	164,153	954,860
Total assets	29,255,716	3,448,777	2,087,769	548,355	211,728	182,953	1,055,315	36,790,613
Liabilities								
Due to banks and other financial institutions	1,925,150	446,880	113,109	33,908	9,923	8,581	106,139	2,643,690
Due to central banks	1,445,089	68,182	29,833	–	–	–	2,030	1,545,134
Placements from banks and other financial institutions	190,441	283,719	16,407	17,717	2,319	2,463	19,827	532,893
Derivative financial liabilities	59,267	41,010	8,687	2,243	3,750	7,360	9,693	132,010
Due to customers	20,289,185	2,460,210	1,745,590	296,964	150,727	54,821	640,815	25,638,312
Bonds issued	1,983,208	151,909	3,873	10,331	–	47	3,179	2,152,547
Other	360,817	168,345	441,436	7,767	777	10,760	30,460	1,020,362
Total liabilities	26,253,157	3,620,255	2,358,935	368,930	167,496	84,032	812,143	33,664,948
Net on-balance sheet position	3,002,559	(171,478)	(271,166)	179,425	44,232	98,921	243,172	3,125,665
Net off-balance sheet position	(364,406)	191,911	597,358	(170,948)	(36,022)	(92,662)	(135,372)	(10,141)
Credit commitments	2,425,859	664,776	253,566	218,886	11,377	53,138	101,954	3,729,556

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

2 Market risk (Continued)

2.3 Foreign currency risk (Continued)

	As at 31 December 2024							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
Assets								
Cash and due from banks and other financial institutions	291,607	190,866	18,810	28,256	25,775	5,809	21,325	582,448
Balances with central banks	1,805,868	303,486	35,442	111,790	40,369	107,131	63,771	2,467,857
Placements with and loans to banks and other financial institutions	954,115	382,764	20,262	10,063	8,448	2,050	64,370	1,442,072
Derivative financial assets	100,712	46,821	4,033	2,112	11,073	6,660	11,766	183,177
Loans and advances to customers, net	18,025,545	977,115	1,266,835	263,687	24,379	75,086	422,635	21,055,282
Financial investments								
— Financial assets at fair value through profit or loss	363,342	109,816	119,456	7,654	–	11	18	600,297
— Financial assets at fair value through other comprehensive income	2,898,192	808,132	317,690	56,594	86,838	12,741	208,758	4,388,945
— Financial assets at amortised cost	2,963,957	326,482	13,490	12,079	–	759	54,268	3,371,035
Other	316,955	171,074	269,740	2,641	1,676	2,016	206,084	970,186
Total assets	27,720,293	3,316,556	2,065,758	494,876	198,558	212,263	1,052,995	35,061,299
Liabilities								
Due to banks and other financial institutions	2,186,375	570,214	54,836	42,588	15,792	4,134	59,813	2,933,752
Due to central banks	1,013,969	56,754	36,184	707	–	241	4,161	1,112,016
Placements from banks and other financial institutions	211,411	335,696	16,956	13,812	5,094	5,853	18,379	607,201
Derivative financial liabilities	92,114	40,306	4,008	1,458	4,296	5,387	5,887	153,456
Due to customers	19,334,172	2,277,803	1,574,573	271,810	137,291	59,523	547,416	24,202,588
Bonds issued	1,842,077	190,552	5,483	14,200	–	21	4,216	2,056,549
Other	450,166	130,470	416,337	3,364	1,002	9,934	31,500	1,042,773
Total liabilities	25,130,284	3,601,795	2,108,377	347,939	163,475	85,093	671,372	32,108,335
Net on-balance sheet position	2,590,009	(285,239)	(42,619)	146,937	35,083	127,170	381,623	2,952,964
Net off-balance sheet position	(46,389)	292,072	345,136	(138,441)	(23,784)	(123,488)	(282,230)	22,876
Credit commitments	2,422,897	713,157	231,738	186,315	9,074	48,993	97,263	3,709,437

IV FINANCIAL RISK MANAGEMENT (Continued)

3 Liquidity risk

The tables below analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the financial reporting date to the contractual maturity date.

	As at 30 June 2025							
	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions	–	446,719	43,374	16,076	37,961	3,866	–	547,996
Balances with central banks	1,503,200	728,273	14,467	3,023	15,729	3,535	–	2,268,227
Placements with and loans to banks and other financial institutions	82	–	450,981	190,079	379,787	134,342	7,634	1,162,905
Derivative financial assets	–	14,279	27,438	23,441	21,305	40,721	15,463	142,647
Loans and advances to customers, net	84,986	353,618	698,380	1,396,556	6,021,831	6,632,377	7,300,430	22,488,178
Financial investments								
— Financial assets at fair value through profit or loss	233,324	–	33,178	44,505	170,219	130,415	93,283	704,924
— Financial assets at fair value through other comprehensive income	41,576	–	346,976	329,058	732,264	1,774,542	1,489,966	4,714,382
— Financial assets at amortised cost	343	–	79,701	107,078	510,013	1,240,856	1,868,503	3,806,494
Other	364,776	390,741	47,869	9,701	18,766	77,560	45,447	954,860
Total assets	2,228,287	1,933,630	1,742,364	2,119,517	7,907,875	10,038,214	10,820,726	36,790,613
Liabilities								
Due to banks and other financial institutions	–	1,422,875	194,917	218,551	695,575	111,772	–	2,643,690
Due to central banks	–	84,433	469,051	322,514	669,136	–	–	1,545,134
Placements from banks and other financial institutions	–	–	277,106	119,769	119,889	15,659	470	532,893
Derivative financial liabilities	–	11,333	25,989	23,386	17,728	39,408	14,166	132,010
Due to customers	–	11,138,949	1,915,430	2,316,938	5,339,319	4,927,492	184	25,638,312
Bonds issued	–	–	157,698	270,159	845,499	602,486	276,705	2,152,547
Other	–	337,442	145,893	37,872	98,673	114,766	285,716	1,020,362
Total liabilities	–	12,995,032	3,186,084	3,309,189	7,785,819	5,811,583	577,241	33,664,948
Net liquidity gap	2,228,287	(11,061,402)	(1,443,720)	(1,189,672)	122,056	4,226,631	10,243,485	3,125,665

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

3 Liquidity risk (Continued)

	As at 31 December 2024							
	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions	–	348,762	190,605	29,539	10,842	2,700	–	582,448
Balances with central banks	1,532,591	770,087	135,090	9,731	19,345	1,013	–	2,467,857
Placements with and loans to banks and other financial institutions	485	–	755,177	217,468	355,514	111,981	1,447	1,442,072
Derivative financial assets	–	14,319	35,633	31,769	48,769	41,058	11,629	183,177
Loans and advances to customers, net	62,599	334,137	743,895	1,424,277	5,020,260	6,369,643	7,100,471	21,055,282
Financial investments								
— Financial assets at fair value through profit or loss	224,249	–	8,540	54,030	109,974	99,738	103,766	600,297
— Financial assets at fair value through other comprehensive income	37,837	–	264,632	344,016	618,149	1,729,489	1,394,822	4,388,945
— Financial assets at amortised cost	728	–	36,511	55,742	502,386	1,158,998	1,616,670	3,371,035
Other	368,348	416,149	38,733	6,091	19,340	77,276	44,249	970,186
Total assets	2,226,837	1,883,454	2,208,816	2,172,663	6,704,579	9,591,896	10,273,054	35,061,299
Liabilities								
Due to banks and other financial institutions	–	1,667,757	117,813	407,354	629,709	111,119	–	2,933,752
Due to central banks	–	75,631	110,189	358,344	567,852	–	–	1,112,016
Placements from banks and other financial institutions	–	–	378,617	68,448	131,479	28,657	–	607,201
Derivative financial liabilities	–	10,875	28,050	27,181	41,455	36,496	9,399	153,456
Due to customers	–	10,177,134	1,925,977	2,458,775	4,421,381	5,219,136	185	24,202,588
Bonds issued	–	–	88,342	247,406	873,543	566,966	280,292	2,056,549
Other	1,702	368,835	140,745	53,746	116,395	111,784	249,566	1,042,773
Total liabilities	1,702	12,300,232	2,789,733	3,621,254	6,781,814	6,074,158	539,442	32,108,335
Net liquidity gap	2,225,135	(10,416,778)	(580,917)	(1,448,591)	(77,235)	3,517,738	9,733,612	2,952,964

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value

4.1 Financial instruments measured at fair value

Financial instruments measured at fair value are classified into the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, including equity securities listed on exchanges or debt instruments issued by certain governments and certain exchange-traded derivative contracts.

- Level 2: Valuation technique for which all inputs that have a significant effect on the recorded fair value other than quoted prices included within Level 1 are observable for the asset or liability, either directly or indirectly. This level includes the majority of the over-the-counter derivative contracts, debt securities for which quotations are available from pricing service providers, discounted bills, etc.

- Level 3: Valuation technique using inputs which have a significant effect on the recorded fair value for the asset or liability are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable parameters.

The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

The Group uses valuation techniques or counterparty quotations to determine the fair value when it is unable to obtain open market quotation in active markets.

The main parameters used in valuation techniques include bond prices, interest rates, foreign exchange rates, equity and stock prices, volatilities, counterparty credit spreads and others, which are all observable and obtainable from the open market.

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

For certain illiquid debt securities (mainly asset-backed securities), unlisted equity (private equity) and unlisted funds held by the Group, management uses valuation techniques to determine the fair value, including discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. As at 30 June 2025, the Group's main unobservable parameters included discount rate, expected rate of return, liquidity discount and P/S ratio. Management determines whether to make necessary adjustments to the fair value of the Group's Level 3 financial instruments by assessing the impact of changes in macroeconomic factors, and valuations by external valuation agencies. The Group has established internal control procedures to control the Group's exposure to such financial instruments.

The Group has established a robust internal control policy for the measurement of fair values. The Board of Directors has ultimate responsibility for the fair value valuation of financial instruments and approves valuation policies; the Risk Policy Committee assists the Board in supervising the senior management to establish and improve the system of valuation and execution mechanism; senior management organises the valuation process and is accountable to the Board.

The Group has established an independent valuation process for financial assets and financial liabilities. The financial management related departments of Head Office coordinate the management of the Group's financial instrument valuation. The risk management related departments of Head Office are responsible for validating the valuation models.

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

	As at 30 June 2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Due from and placements with banks and other financial institutions at fair value, etc.	**–**	**69,088**	**–**	**69,088**
Derivative financial assets	**472**	**142,175**	**–**	**142,647**
Loans and advances to customers at fair value	**–**	**1,143,929**	**–**	**1,143,929**
Financial investments				
— Financial assets at fair value through profit or loss				
— Debt securities	**26,856**	**439,472**	**1,022**	**467,350**
— Equity instruments	**21,008**	**484**	**99,029**	**120,521**
— Fund investments and other	**30,900**	**16,592**	**69,561**	**117,053**
— Financial assets at fair value through other comprehensive income				
— Debt securities	**573,185**	**4,093,146**	**–**	**4,666,331**
— Equity instruments and other	**3,615**	**13,302**	**31,134**	**48,051**
Financial liabilities measured at fair value				
Due to and placements from banks and other financial institutions at fair value	**–**	**(26,106)**	**–**	**(26,106)**
Due to customers at fair value	**–**	**(39,878)**	**–**	**(39,878)**
Bonds issued at fair value	**–**	**(2,036)**	**–**	**(2,036)**
Financial liabilities held for trading	**(1,029)**	**(55,382)**	**–**	**(56,411)**
Derivative financial liabilities	**(662)**	**(131,348)**	**–**	**(132,010)**

	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Due from and placements with banks and other financial institutions at fair value	–	24,518	–	24,518
Derivative financial assets	377	182,800	–	183,177
Loans and advances to customers at fair value	–	903,697	749	904,446
Financial investments				
— Financial assets at fair value through profit or loss				
— Debt securities	10,120	360,684	1,169	371,973
— Equity instruments	23,367	532	100,705	124,604
— Fund investments and other	26,231	9,680	67,809	103,720
— Financial assets at fair value through other comprehensive income				
— Debt securities	517,673	3,827,247	–	4,344,920
— Equity instruments and other	7,517	12,987	23,521	44,025
Financial liabilities measured at fair value				
Due to and placements from banks and other financial institutions at fair value	–	(33,140)	–	(33,140)
Due to customers at fair value	–	(45,332)	–	(45,332)
Bonds issued at fair value	–	(1,970)	–	(1,970)
Financial liabilities held for trading	(528)	(57,076)	–	(57,604)
Derivative financial liabilities	(551)	(152,905)	–	(153,456)

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

Reconciliation of Level 3 items

	Loans and advances to customers at fair value	Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income
		Debt securities	Equity instruments	Fund investments and other	Equity instruments and other
As at 1 January 2025	749	1,169	100,705	67,809	23,521
Total gains and losses					
— profit/(loss)	–	32	1,918	(623)	–
— other comprehensive income	–	–	–	–	(1,225)
Sales	–	–	(7,375)	(2,453)	(215)
Purchases	–	37	3,781	4,972	9,118
Settlements	(737)	(216)	–	–	–
Transfers out of Level 3, net	–	–	–	–	–
Other changes	(12)	–	–	(144)	(65)
As at 30 June 2025	–	1,022	99,029	69,561	31,134
Total gains/(losses) for the period included in the statement of profit or loss for assets held as at 30 June 2025	–	32	909	(598)	–

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.1 Financial instruments measured at fair value (Continued)

Reconciliation of Level 3 items (Continued)

	Loans and advances to customers at fair value	Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income
		Debt securities	Equity instruments	Fund investments and other	Equity instruments and other
As at 1 January 2024	782	1,874	90,792	65,826	14,993
Total gains and losses					
— (loss)/profit	–	(85)	2,208	565	–
— other comprehensive income	–	–	–	–	3,074
Sales	–	–	(5,565)	(5,954)	(449)
Purchases	–	69	13,754	7,220	6,016
Settlements	–	(690)	–	–	–
Transfers out of Level 3, net	–	–	(484)	–	(188)
Other changes	(33)	1	–	152	75
As at 31 December 2024	749	1,169	100,705	67,809	23,521
Total (losses)/gains for the period included in the statement of profit or loss for assets held as at 31 December 2024	–	(85)	2,567	589	–

Total gains or losses for the six month period ended 30 June 2025 and the year ended 31 December 2024 included in the statements as well as total gains or losses included in the statements relating to financial instruments held as at 30 June 2025 and 31 December 2024 are presented in "Net trading gains", "Net gains on transfers of financial assets", "Credit impairment losses" or "Other comprehensive income" depending on the nature or category of the related financial instruments.

Gains or losses on Level 3 financial assets and liabilities included in the statement of profit or loss comprise:

	Six month period ended 30 June					
	2025			2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Total gains/(losses)	**984**	**343**	**1,327**	(96)	1,236	1,140

There were no significant transfers for the financial assets and liabilities measured at fair value between Level 1 and Level 2 during the six month period ended 30 June 2025.

As at 30 June 2025, with all other variables held constant, if significant unobservable parameters such as discount rate, expected rate of return, liquidity discount and P/S ratio applied in the valuation technique had changed by 10%, the impact on the amount of changes in fair value would not have been significant.

(Amounts in millions of Renminbi, unless otherwise stated)

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.2 Financial instruments not measured at fair value

Financial assets not presented at fair value in the statement of financial position mainly represent "Due from banks and other financial institutions", "Government certificates of indebtedness for bank notes issued", and "Balances with central banks", "Placements with and loans to banks and other financial institutions", "Loans and advances to customers", "Financial investments" measured at amortised cost. Liabilities not presented at fair value in the statement of financial position mainly represent "Due to banks and other financial institutions", "Due to central banks", "Bank notes in circulation", and "Placements from banks and other financial institutions", "Due to customers", "Bonds issued" measured at amortised cost.

The table below summarises the carrying amounts and fair values of "Debt securities at amortised cost" and "Bonds issued" not presented at fair value at the financial reporting date.

	As at 30 June 2025		As at 31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Debt securities (1)	**3,789,047**	**4,008,977**	3,350,582	3,577,742
Financial liabilities				
Bonds issued (2)	**2,150,511**	**2,172,259**	2,054,579	2,083,642

(1) Debt securities

The China Orient Bond and Special Purpose Treasury Bond held by the Bank are non-transferable. As there are no observable market prices or yields reflecting arm's length transactions of a comparable size and tenor, the fair values are determined based on the stated interest rate of the instruments.

Fair values of other debt securities are based on market prices or broker/dealer price quotations. Where this information is not available, the Bank will perform valuation by referring to prices from valuation service providers or on the basis of discounted cash flow models. Valuation parameters include market interest rates and expected future default rates. The fair values of RMB bonds are mainly determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd.

(2) Bonds issued

The aggregate fair values are calculated based on quoted market prices. For those bonds where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

IV FINANCIAL RISK MANAGEMENT (Continued)

4 Fair value (Continued)

4.2 Financial instruments not measured at fair value (Continued)

The tables below summarise the fair values of three levels of "Debt securities at amortised cost" (excluding the China Orient Bond and Special Purpose Treasury Bond), and "Bonds issued" not presented at fair value at the financial reporting date.

	As at 30 June 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Debt securities	**164,292**	**3,648,669**	**252**	**3,813,213**
Financial liabilities				
Bonds issued	**–**	**2,172,259**	**–**	**2,172,259**

	As at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Debt securities	164,597	3,217,685	54	3,382,336
Financial liabilities				
Bonds issued	–	2,083,642	–	2,083,642

Other than the above, the difference between the carrying amounts and fair values of those financial assets and liabilities not presented at their fair value in the statement of financial position is insignificant. Fair value is measured using a discounted cash flow model.

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management

The Group follows the principles below with regard to capital management:

- Adequate capital and sustainable development. Follow the lead of the strategic planning of the Group development; and maintain the high quality and adequacy of capital so as to meet regulatory requirements, support business growth, and advance the sustainable development of the scale, quality and performance of the business in the Group.

- Allocation optimisation and benefit augmentation. Allocate capital properly by prioritising the asset businesses with low capital occupancy and high comprehensive income, and steadily improve the efficiency and return of capital, to achieve the reciprocal matchup and dynamic equilibrium among risks, capital and returns.

- Refined management and capital level improvement. Optimise the capital management system by sufficiently identifying, calculating, monitoring, mitigating, and controlling various types of risks; incorporate capital restraints into the whole process of product pricing, resource allocation, structural adjustments, performance evaluation, etc., ensuring that the capital employed is commensurate with the related risks and the level of risk management.

Capital adequacy and regulatory capital are monitored by the Group's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Group's capital adequacy ratios are calculated in accordance with the *Capital Rules for Commercial Banks* (J.J.Z.J.L [2023] No. 4) issued by the NFRA and other relevant regulations from 1 January 2024. With the approval of the NFRA, the Group adopts advanced capital measurement approaches to calculate credit risk. For the Bank's Head Office, domestic branches and BOCHK, Foundation Internal Rating-Based (FIRB) approach is adopted for general corporates and small or medium-sized entities (SMEs) credit risk exposures, while Advanced Internal Rating-Based (AIRB) approach is adopted for retail residential mortgages, qualifying revolving retail exposures (QRRE) as well as other retail risk exposures. Standardised approach is adopted for other types of credit risk exposures and all credit risk exposures of other consolidated institutions. Standardised approach is adopted for market risk and operational risk.

As a Systemically Important Bank, the Group's capital adequacy ratios are required to meet the lowest requirements of the NFRA, that is, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be no less than 9.00%, 10.00% and 12.00%, respectively.

The Group's regulatory capital is managed by its capital management related departments and consists of the following:

- Common equity tier 1 capital, including common shares, capital reserve, surplus reserve, general reserve, undistributed profits, accumulated other comprehensive income and eligible portion of minority interests;

- Additional tier 1 capital, including additional tier 1 capital instruments issued and related premium and eligible portion of minority interests;

- Tier 2 capital, including directly issued qualifying tier 2 capital instruments and related premium, excess loss provisions and eligible portion of minority interests.

Goodwill, other intangible assets (excluding land use rights) and other deductible items are deducted from common equity tier 1 capital to derive at the regulatory capital.

IV FINANCIAL RISK MANAGEMENT (Continued)

5 Capital management (Continued)

The table below summarises the Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio[1] calculated in accordance with the *Capital Rules for Commercial Banks* and other relevant regulations:

	As at 30 June 2025	As at 31 December 2024
Common equity tier 1 capital adequacy ratio	**12.57%**	12.20%
Tier 1 capital adequacy ratio	**14.32%**	14.38%
Capital adequacy ratio	**18.67%**	18.76%
Composition of the Group's capital base		
Common equity tier 1 capital	**2,596,490**	2,368,304
Common shares	**322,212**	294,388
Capital reserve	**270,805**	134,347
Surplus reserve	**277,914**	277,328
General reserve	**414,266**	414,370
Undistributed profits	**1,185,336**	1,115,638
Eligible portion of minority interests	**34,549**	37,204
Accumulated other comprehensive income	**91,408**	95,029
Regulatory deductions	**(24,288)**	(24,043)
Of which:		
Goodwill	**(277)**	(277)
Other intangible assets (excluding land use rights)	**(23,852)**	(23,701)
Direct or indirect investments in own shares	**–**	–
Investments in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	**–**	–
Net common equity tier 1 capital	**2,572,202**	2,344,261
Additional tier 1 capital	**358,721**	419,025
Preference shares and related premium	**99,969**	119,550
Additional capital instruments and related premium	**249,973**	289,963
Eligible portion of minority interests	**8,779**	9,512
Net tier 1 capital	**2,930,923**	2,763,286
Tier 2 capital	**891,314**	842,286
Directly issued qualifying tier 2 capital instruments and related premium	**639,869**	589,894
Excess loss provisions	**242,862**	243,150
Eligible portion of minority interests	**8,583**	9,242
Net capital	**3,822,237**	3,605,572
Risk-weighted assets	**20,470,598**	19,217,559

(1) When calculating the capital adequacy ratios, Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited, etc., were excluded from the scope of regulatory consolidation in accordance with the requirements of the NFRA.

IV FINANCIAL RISK MANAGEMENT (Continued)

6 Insurance risk

Insurance contracts are mainly sold in the Chinese mainland and Hong Kong (China). The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty in the resulting claim amount. By the nature of an insurance contract, the risk is random and therefore unpredictable. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities.

The Group manages its portfolio of insurance risks through its appropriate underwriting strategy and policies, as well as adequate reinsurance arrangements, and enhanced underwriting control and claim control.

The Group makes related assumptions for insurance risks and recognises insurance contract liabilities. For life insurance contracts, the key assumptions include assumptions in respect of discount rates/investment return, mortality, morbidity, lapse rates, and expenses assumptions relating to life insurance contracts. For non-life insurance contracts, the key assumptions include assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group's past claim experiences.

I DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS ACCOUNTING STANDARDS AND CAS

There were no differences in the Group's operating results for the six month periods ended 30 June 2025 and 30 June 2024 or total equity as at 30 June 2025 and 31 December 2024 presented in the Group's consolidated financial statements prepared under IFRS Accounting Standards and those prepared under CAS.

II UNREVIEWED SUPPLEMENTARY INFORMATION

1 Currency concentrations

The following information is computed in accordance with the provisions of the NFRA.

	Equivalent in millions of RMB			
	USD	HKD	Other	Total
As at 30 June 2025				
Spot assets	**4,002,689**	**1,838,942**	**1,953,603**	**7,795,234**
Spot liabilities	**(4,242,800)**	**(2,435,756)**	**(1,604,749)**	**(8,283,305)**
Forward purchases	**10,911,669**	**1,873,666**	**2,349,734**	**15,135,069**
Forward sales	**(10,583,474)**	**(1,318,018)**	**(2,699,151)**	**(14,600,643)**
Net options position*	**(37,703)**	**3,634**	**(8,014)**	**(42,083)**
Net long/(short) position	**50,381**	**(37,532)**	**(8,577)**	**4,272**
Structural position	**13,396**	**264,399**	**134,676**	**412,471**
As at 31 December 2024				
Spot assets	3,936,682	1,845,583	1,964,128	7,746,393
Spot liabilities	(4,292,387)	(2,204,808)	(1,581,425)	(8,078,620)
Forward purchases	8,712,725	1,380,034	1,714,682	11,807,441
Forward sales	(8,246,168)	(1,054,594)	(2,102,522)	(11,403,284)
Net options position*	(59,640)	(83)	(6,649)	(66,372)
Net long/(short) position	51,212	(33,868)	(11,786)	5,558
Structural position	11,722	250,003	123,147	384,872

* The net options position is calculated in accordance with the relevant provisions of the NFRA.

(Amounts in millions of Renminbi, unless otherwise stated)

II UNREVIEWED SUPPLEMENTARY INFORMATION (Continued)

2 Overdue assets

For the purpose of the table below, the entire outstanding balance of "Loans and advances to customers" and "Placements with and loans to banks and other financial institutions" are considered overdue if either principal or interest payment is overdue.

2.1 Total amount of overdue Loans and advances to customers

	As at 30 June 2025	As at 31 December 2024
Total loans and advances to customers which have been overdue		
Within 3 months	**105,642**	77,785
Between 3 and 6 months	**46,784**	44,206
Between 6 and 12 months	**54,734**	55,473
Over 12 months	**95,405**	78,635
Total	**302,565**	256,099
Percentage		
Within 3 months	**0.46%**	0.36%
Between 3 and 6 months	**0.20%**	0.21%
Between 6 and 12 months	**0.24%**	0.25%
Over 12 months	**0.42%**	0.37%
Total	**1.32%**	1.19%

2.2 Total amount of overdue Placements with and loans to banks and other financial institutions

The total amount of overdue "Placements with and loans to banks and other financial institutions" as at 30 June 2025 and 31 December 2024 was not considered material.

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

No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, China, 100818
Tel: (86) 10-6659 6688 Fax: (86) 10-6601 6871
Customer Service and Complaint Hotline: (86) Area Code-95566
www.boc.cn, www.bankofchina.com