China Construction Bank Corporation

Capital Management Pillar III

Annual Report 2024

中国建设银行
China Construction Bank

1 Introduction

1.1 Corporate Introduction

China Construction Bank Corporation, headquartered in Beijing, is a leading large-scale commercial bank in China. Its predecessor, People's Construction Bank of China, was established in October 1954. It was listed on Hong Kong Stock Exchange in October 2005 (stock code: 939) and Shanghai Stock Exchange in September 2007 (stock code: 601939). At the end of 2024, the Bank's market capitalisation was approximately US$212,427 million, ranking sixth among all listed banks in the world. The Bank ranks second in "Top 1000 World Banks Ranking" in 2024 by *The Banker* magazine and second in the "Top 500 Banking Brands" by *Brand Finance*.

The Bank provides customers with comprehensive financial services, including corporate finance business, personal finance business, treasury and asset management business and others, serving 771 million personal customers and 11.68 million corporate customers. Moreover, it has subsidiaries in various sectors, including fund management, financial leasing, trust, insurance, futures, pension and investment banking. At the end of 2024, the Group had 376,847 staff members and 14,750 operating entities.

1.2 Report Basis

The Report is prepared in accordance with the *Rules on Capital Management of Commercial Banks* issued by National Financial Regulatory Administration.

1.3 Declaration

CCB strictly adheres to regulatory requirements, has established a governance framework for the capital management Pillar III information disclosure, and formulated management policy. The Board of Directors of the Bank has approved the effective internal control process which is implemented by senior management. The process comprehensively enhanced the standardisation and procedural management of information disclosure, ensuring the authenticity and reliability.

The Report has been reviewed by senior management and approved by the Board of Directors on March 28th, 2025.

2 Risk Management, Key Prudential Regulatory Indicators and Risk-weighted Assets

2.1 Overview of Key Prudential Regulatory Indicators

According to the regulatory requirements, CCB shall calculate and disclose capital adequacy ratios in accordance with the *Rules on Capital Management of Commercial Banks*. Based on the approval to implement the advanced capital measurement method in 2014, former China Banking and Insurance Regulatory Commission approved the Group to expand the implementation scope of the advanced capital measurement method in April 2020. According to regulatory requirements, the Group continues to apply the Internal Ratings-Based (IRB) Approach to measure capital requirements for credit risk within the approved scope, parts uncovered by IRB using Standardised Approach. For both market risk and operational risk, the Standardised Approach is implemented to calculate capital requirements. The Group calculates capital adequacy ratios with both the advanced approach and other approaches and complies with the relevant requirements for capital floors.

Key prudential regulatory indicators include capital adequacy ratio, leverage ratio, and liquidity risk-related metrics. The overview of the Group's key prudential regulatory indicators is as follows.

Table 1 (KM1): Regulatory Consolidated Key Prudential Regulatory Indicators

(In millions of RMB, except percentages)		a	b	c	d
		December 31, 2024	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**
Available capital					
1	Common Equity Tier 1 capital after regulatory adjustments	3,165,549	3,124,043	3,038,387	3,045,754
2	Tier 1 capital after regulatory adjustments	3,324,424	3,322,954	3,237,254	3,245,824
3	Total capital after regulatory adjustments	4,303,263	4,285,564	4,175,087	4,175,290
Risk-weighted assets (RWA)					
4	Total RWA	21,854,590	22,150,555	21,690,492	21,586,165
4a	Total RWA (before the application of capital floor)	21,854,590	22,150,555	21,690,492	21,586,165
Capital adequacy ratio					
5	Common Equity Tier 1 ratio (%)	14.48	14.10	14.01	14.11
5a	Common Equity Tier 1 ratio (%) (before the application of capital floor)	14.48	14.10	14.01	14.11
6	Tier 1 ratio (%)	15.21	15.00	14.92	15.04
6a	Tier 1 ratio (%) (before the application of capital floor)	15.21	15.00	14.92	15.04
7	Capital adequacy ratio (%)	19.69	19.35	19.25	19.34
7a	Capital adequacy ratio (%) (before the application of capital floor)	19.69	19.35	19.25	19.34
Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirements (%)	2.50	2.50	2.50	2.50

(In millions of RMB, except percentages)		a December 31, 2024	b September 30, 2024	c June 30, 2024	d March 31, 2024
9	Countercyclical buffer requirements (%)	0.00	0.00	0.00	0.00
10	Bank G-SIB and/or D-SIB additional requirements (%)	1.50	1.50	1.50	1.50
11	Total of bank CET1 specific buffer requirements (%) (8 + 9 + 10)	4.00	4.00	4.00	4.00
12	CET 1 available after meeting the bank's minimum capital requirements (%)	9.21	9.00	8.92	9.04
Leverage ratio					
13	On and off-balance sheet assets after adjustments	42,755,544	42,815,730	42,314,726	41,837,451
14	Leverage ratio (%)	7.78	7.76	7.65	7.76
14a	Leverage ratio a (%)[1]	7.78	7.76	7.65	7.76
14b	Leverage ratio b (%)[2]	7.69	7.75	7.65	7.73
14c	Leverage ratio c (%)[3]	7.69	7.75	7.65	7.73
Liquidity coverage ratio (LCR)[4]					
15	Total high-quality liquid assets (HQLA)	6,237,408	6,148,940	6,115,852	6,059,382
16	Total net cash outflows	4,957,733	5,119,129	4,877,791	4,510,003
17	Liquidity coverage ratio (%)	125.73	120.29	125.43	134.46
Net stable funding ratio (NSFR)					
18	Total available stable funding	28,158,322	28,350,638	28,236,945	28,350,972
19	Total required stable funding	21,027,700	20,928,125	20,917,739	22,174,688
20	Net stable funding ratio (%)	133.91	135.47	134.99	127.85

1. The leverage ratio a refers to the leverage ratio calculated without considering the temporary exemption of deposit reserves and using quarter-end value of securities financing transactions. For more detailed information, please refer to the section "13. Leverage Ratio".
2. The leverage ratio b refers to the leverage ratio calculated by considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter. For more detailed information, please refer to the section "13. Leverage Ratio".
3. The leverage ratio c refers to the leverage ratio calculated without considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter. For more detailed information, please refer to the section "13. Leverage Ratio".
4. The liquidity coverage ratio data above represent simple arithmetic means of the values for each calendar days in the latest quarter. For more detailed information, please refer to the section "14. Liquidity Risk".

2.2 Overview of Risk Management and Risk-weighted Assets

2.2.1 Risk Management

Risk Management Structure

The Board of Directors fulfils risk management responsibilities pursuant to the Articles of Association of the Bank and regulatory requirements. The Board of Directors and its Risk Management Committee develop risk management strategies, supervise the implementation, assess the Group's overall risk profile, regularly review the statements of risk appetite and transmit the risk appetite through relevant policies. The Board of Supervisors supervises the building of comprehensive risk management system, as well as the performance of the Board of Directors and senior management in discharging their comprehensive risk management responsibilities. Senior management and its Risk and Internal Control Management Committee are responsible for implementing risk strategies developed by the Board of Directors and organising the implementation of the comprehensive risk management work across the Group.

Risk Management Department is the lead department responsible for the Group's comprehensive risk management and leads the management of market risk. Credit Management Department is the lead department responsible for the overall credit risk management and country risk management. Asset & Liability Management Department is the lead department responsible for the management of liquidity risk and interest rate risk of banking book. Internal Control & Compliance Department is the lead department responsible for operational risk management. FinTech Department and Internal Control & Compliance Department jointly promote IT risk management. Public Relations & Corporate Culture Department and Strategy and Policy Coordination Department are the lead departments responsible for reputational risk and strategic risk management, respectively. Other types of risks are managed by respective specialised departments.

The Bank continued to optimise its risk governance system for subsidiaries, strengthened collaborative risk governance between the parent bank and subsidiaries and integrated risk control, and intensified penetrated management and process management. It specified management objectives of subsidiaries for various risks, optimised risk reporting mechanism and reporting lines, performed risk profiling, and bolstered risk management of key subsidiaries and key businesses, so as to consolidate the bottom line of risk compliance.

Group Risk Appetite and Transmission

The Bank emphasises the strategic orientation of risk management centred on risk appetite, highlights proactive risk planning, and focused on the layout of business structure and development orientation to clarify "what to do and not to do, and how much risk will be assumed if we do". Risk appetite reflects the Board of Directors and senior management's assessment of macroeconomic trends, understanding of the Bank's risk dynamics and their fundamental stance on assuming various risks.

Each relevant department of the Head Office transmits risk appetite through resource allocation, capital planning, plan management, performance assessment, business guidance, risk policies, limits, criteria and other transmission carriers according to the risk appetite approved by the Board to ensure effective connections between management requirements and risk appetite. Domestic tier-1 branches, overseas entities and subsidiaries shall implement the management requirements of the above related transmission carriers, formulate implementation rules and operational regulations in combination with the actual management of the jurisdiction, and ensure that the operation and management activities meet the requirements of risk appetite.

Risk Culture Building

The Group persisted in fostering a “steady, prudent, comprehensive and proactive” risk culture. It pressed ahead with the implementation of relevant rules for the building of risk culture, and promoted the effective integration of risk culture into management mechanism, rules and policies, business procedures, operating process, technical tools, code of conduct, as well as business management. It identified risk culture as the focus of training for each business line, and advocated risk culture via videos, micro classes, and online classes. It attached great importance to the building of risk management team, optimised staffing for key positions, and provided effective support for team building in terms of incentives and constraints, training and certification.

Comprehensive Risk Management Report

The Bank has established risk management reporting policies to clarify the scope, types, responsibilities, reporting lines, frequency and time limit of the report. The risk report follows the principles of accuracy, timeliness, integrity, adaptability, sharing and effectiveness, focusing on finding and solving problems, and providing management decision support for the Board of Directors and senior management.

Risk Measurement System

The Bank has established a relatively complete risk measurement system, covering the main risk types of credit risk, market risk, and operational risk under Pillar 1, as well as concentration risk, interest rate risk of banking book, liquidity risk, reputational risk and strategic risk under Pillar 2, which can conduct effective identification, measurement, monitoring, mitigation, control, and reporting of various risks, supporting comprehensive risk management and capital measurement.

Strategies and Process for Identifying, Measuring, Monitoring, Mitigating and Controlling Risks

The bank continues to improve its risk prevention and control system by establishing governance structures, management policies, business processes, information systems, etc. It identifies, measures, monitors, controls, and mitigates the material risks faced by its subsidiaries, branches, business lines, and related operations. Adopting a combination of quantitative and qualitative methods, effectively measure, assess, and manage various types of risks. For all types of exposures, following the principle that substance prevails over form, identify the actual risk bearers and material risks faced by businesses from dimensions such as the ultimate debtor, underlying assets, fund investment direction, and transaction structure. Continue to accumulate historical data, develop and optimise risk measurement models to ensure consistency, objectivity, and accuracy in risk measurement. From the perspectives of data, systems, and applications, establish an enterprise-level risk monitoring and early warning system for continuous monitoring of group-wide risk exposures. For material risks, the "three lines of defence" collaborate to implement risk control measures, and continue to track the effectiveness of these controls and trends in risk changes.

Stress Testing

The Bank regularly carries out stress testing on credit risk, market risk, operational risk, interest rate risk of banking book, liquidity risk, collateral risk, and country risk in according with regulatory requirements, covering a variety of assets such as loans, financial investments, financial assets held under resale agreements, and derivatives, and quantitatively analyses the impact on the Bank under different stress scenarios. The test fully considers the characteristics of various risks, establishes different test methods and models, and designs a variety of stress scenarios in combination with the external situation. The Bank continuously exploits the value of stress testing tools and deepens management application. First, the stress testing scenarios for credit risk are linked with expected credit loss (ECL) management, which are used for forward-looking adjustments of provision; Second, the stress testing results are used for internal capital adequacy assessment process (ICAAP), recovery and resolution plans (RRP), reassessment of risk appetite, policy adjustment and risk warning to branches.

Methods and Procedures for Internal Capital Adequacy Assessment Process

The Bank's internal capital adequacy assessment process includes governance structure and performance, major risk assessment and measurement, stress testing, capital assessment and planning, consolidated capital management, and capital emergency management. On the basis of comprehensive assessment of the main risks faced by the Bank, the Bank leverages between capital and risk, establishes a management system of overall consideration of risk and capital, and ensures that the capital level is adapted to the risk statues under various market environments. The Bank carries out internal capital adequacy assessment annually and continues to promote the optimisation of methodology. The Bank has established relatively standardised governance structure, thorough policy system, complete evaluation process, periodic monitoring and reporting mechanism and internal audit policies. At present, the Bank maintains a reasonable risk and capital governance structure, with clearly defined processes, enabling it to effectively manage various risks, properly aligns its capital capability with its operations, risk shifts and movements as well as long-term development strategy, and with all risk exposures well covered, to sustain its business development.

Capital Planning and Capital Adequacy Ratio Management Plan

In accordance with the relevant requirements of the *Rules on Capital Management of Commercial Banks*, the Bank formulated the *China Construction Bank Capital Planning 2024-2026,* which was approved by the Board of Directors and the shareholders' general meeting. The Bank adheres to the new development philosophy, effectively balances capital supply and demand, focuses on internal capital accumulation and external capital replenishment, and actively seizes opportunities to issue capital instruments to achieve high-quality development in terms of serving the real economy, lean management, intensive capital management, effective risk control, and regulatory compliance. The Bank gives priority to sustainable internal capital growth by improving profit retention, maintaining reasonable business growth and structural optimisation, and taking capital-intensive approaches. The Bank conducts comprehensively uses market-based financing methods to reasonably conduct external capital replenishment, to ensure adequate capital level and high capital quality.

Within its capital planning framework, the Bank sets CAR targets to effectively align the capital plan with its business plan and financial plan, based on considerations such as external business environment, future regulatory development and CCB's strategic planning, risk appetite, and capital adequacy assessment. The Bank gives full play to the guiding and constraining role of capital, adheres to the capital-light development strategy, continues to improve capital planning assessment mechanisms across the Group, deeply promotes intensive operation and refined management of capital, and regularly conducts dynamic monitoring, analysis and reporting on CAR to ensure that tiered CARs continuously meet regulatory requirements and business development needs.

2.2.2 Overview of Risk Weighted Assets

The following table shows the Group's risk-weighted assets and capital requirements.

Table 2 (OV1): Overview of Risk-weighted Assets

		a	b	c
	(In millions of RMB)	Risk-weighted assets		Minimum capital requirements
		December 31, 2024	September 30, 2024	December 31, 2024
1	**Credit risk**	19,814,943	20,185,885	1,585,195
2	**Credit risk (exclusive of counterparty credit risk, credit valuation adjustment risk, asset management products in the banking book, and banking book securitisation)**	19,433,391	19,818,263	1,554,670
3	of which: Regulatory weighting approach	5,820,738	5,596,995	465,658
4	of which: Risk exposure formed in the clearing process of securities, commodities, and foreign currencies transactions	0	0	0
5	of which: Amounts below the threshold deductions	363,177	369,459	29,054
6	of which: Foundation internal ratings-based (FIRB) approach	11,323,706	11,946,337	905,896
7	of which: Regulatory mapping approach	-	-	-
8	of which: Advanced internal ratings-based (AIRB) approach	2,288,947	2,274,931	183,116
9	**Counterparty credit risk**	117,100	115,575	9,368
10	of which: Standardised approach	117,100	115,575	9,368
11	of which: Current exposure method	-	-	-
12	of which: Other approaches	-	-	-
13	**Credit valuation adjustment risk**	46,944	36,447	3,756
14	**Asset management products in the banking book**	199,861	197,318	15,989
15	of which: Look-through approach	2,873	1,910	230
16	of which: Mandate-based approach	192,913	195,293	15,433
17	of which: A 1250% risk weight applies	4,075	115	326
18	**Banking book securitisation**[1]	17,647	18,282	1,412
19	of which: Internal ratings-based approach (IRB) for securitisation	-	-	-
20	of which: External ratings-based approach for securitisation	0	0	0
21	of which: Standardised approach for securitisation	7,818	7,813	625
22	**Market risk**	250,577	194,481	20,046
23	of which: Standardised approach	250,577	194,481	20,046
24	of which: Internal model-based approach (IMA)	-	-	-
25	of which: Simplistically standardised approach	-	-	-
26	**Capital charge for switch between trading book and banking book**	44,651	0	3,572
27	**Operational risk**	1,744,419	1,770,189	139,554

(In millions of RMB)		a	b	c
		Risk-weighted assets		Minimum capital requirements
		December 31, 2024	September 30, 2024	December 31, 2024
28	**Additional adjustments due to the application of capital floor**	0	0	
29	**Total**	**21,854,590**	**22,150,555**	**1,748,367**

1. Besides the items 19, 20, 21, the Group's banking book securitisation risk-weighted assets also includes the item "A 1250% risk weight applies" of RMB 68,192 million, and the item "Adjustment for applying the capital charge cap" of RMB -58,363 million.

3 Capital and Total Loss Absorbing Capacity (TLAC) Composition

3.1 Main Features of Regulatory Capital Instruments and Eligible External TLAC Instruments

In compliance with the relevant requirements of the *Rules on Capital Management of Commercial Banks* released by National Financial Regulatory Administration, the main features of regulatory capital instruments and eligible external TLAC instruments are published on CCB website separately from the report.

(Website link: https://en.ccb.com/eng/investor/announcement/monitorcapital/index.shtml).

3.2 Capital Composition

The following table shows the Group's capital composition, and the corresponding relationship with the regulatory consolidated balance sheet.

Table 3 (CC1): Capital Composition

(In millions of RMB, except percentages)		a Amount December 31, 2024	b Code
Common Equity Tier 1 capital			
1	Qualifying common share capital and capital reserve	385,621	e+g
2	Retained earnings	2,718,849	
2a	Surplus reserve	402,196	h
2b	General reserve	534,151	i
2c	Undistributed profits	1,782,502	j
3	Accumulated other comprehensive income	65,136	
4	Non-controlling interest given recognition in Common Equity Tier 1 capital	3,703	
5	**Common Equity Tier 1 capital before deduction**	3,173,309	
Common Equity Tier 1 capital: Deduction items			
6	Prudent valuation adjustment	-	
7	Goodwill (excluding deferred tax liabilities)	2,170	a-c
8	Other intangible assets (excluding land use rights) (excluding deferred tax liabilities)	5,009	b-d
9	Net deferred tax assets relying on future profitability and arising from operating losses	-	
10	Cash flow hedge reserves that relate to the hedging of items that are not fair valued on the balance sheet	581	
11	Shortfall of provisions to expected losses	-	
12	Gains from sales of securitisation	-	
13	Unrealised profit / loss arising from the changes in own credit risk on fair values of liability	-	
14	Net defined-benefit pension assets (excluding deferred tax liabilities)	-	
15	Directly or indirectly investments in own shares	-	
16	Deduction for reciprocal cross-holdings in common equity	-	
17	Deduction for non-significant investments in the Common Equity Tier 1 capital of financial institutions outside the regulatory scope of consolidation	-	
18	Deduction for significant investments in the Common Equity Tier 1 capital of financial institutions outside the regulatory scope of consolidation	-	

(In millions of RMB, except percentages)		a Amount December 31, 2024	b Code
19	Deduction for deferred tax assets relying on the Bank's future profitability	-	
20	Deduction for significant investments in the capital of financial institutions outside the regulatory scope of consolidation and other net deferred tax assets that rely on the Bank's future profitability after all deduction (amount exceeding the 15% threshold)	-	
21	of which: Deduction for significant investments in the capital of financial institutions	-	
22	of which: Deduction for other deferred tax assets that rely on the Bank's future profitability	-	
23	Other deductions for Common Equity Tier 1 capital	-	
24	Deduction for Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2	-	
25	**Total regulatory adjustments for Common Equity Tier 1 capital**	7,760	
26	**Common Equity Tier 1 capital after regulatory adjustments**	3,165,549	
Additional Tier 1 capital			
27	Qualifying Additional Tier 1 instruments	159,977	
28	of which: Equity	159,977	
29	of which: Liabilities	-	
30	Non-controlling interest given recognition in Additional Tier 1 capital	139	
31	**Additional Tier 1 capital before deduction**	160,116	
Additional Tier 1 capital: Deduction items			
32	Direct or indirect investments in own Additional Tier 1 instruments	-	
33	Deduction for reciprocal cross-holdings in the Additional Tier 1 instruments	-	
34	Deduction for non-significant investments in the Additional Tier 1 capital of financial institutions outside the regulatory scope of consolidation	-	
35	Significant investments in the Additional Tier 1 capital of financial institutions outside the regulatory scope of consolidation	1,241	
36	Other deductions for Additional Tier 1 capital	-	
37	Deduction for Additional Tier 1 due to insufficient Tier 2	-	
38	**Total regulatory adjustments for Additional Tier 1 capital**	1,241	
39	**Additional Tier 1 capital after regulatory adjustments**	158,875	
40	**Tier 1 capital after regulatory adjustments**	3,324,424	
Tier 2 capital			
41	Qualifying Tier 2 instruments	594,092	
42	Non-controlling interest given recognition in Tier 2 capital	226	
43	Provisions in Tier 2	384,521	
44	**Tier 2 capital before deduction**	978,839	
Tier 2 capital: Deduction items			
45	Direct or indirect investments in own Tier 2 instruments	-	
46	Reciprocal cross-holdings in Tier 2 instruments and TLAC investment	-	
47	Deduction for non-significant investments in Tier 2 capital of financial institutions outside the regulatory scope of consolidation	-	
47a	Deduction for non-significant investments in TLAC of financial institutions outside the regulatory scope of consolidation (applicable for global systemically important banks only)	-	

(In millions of RMB, except percentages)		a Amount December 31, 2024	b Code
48	Deduction for significant investments in the Tier 2 capital of financial institutions outside the regulatory scope of consolidation	-	
48a	Deduction for significant investments in TLAC of financial institutions outside the regulatory scope of consolidation (applicable for global systemically important banks only)	-	
49	Other deductions for Tier 2 capital	-	
50	**Total regulatory adjustments for Tier 2 capital**	-	
51	**Tier 2 capital after regulatory adjustments**	978,839	
52	**Total capital after regulatory adjustments**	4,303,263	
53	**Risk-weighted assets**	21,854,590	
Capital adequacy ratio and capital requirements			
54	**Common Equity Tier 1 ratio (%)**	14.48	
55	**Tier 1 ratio (%)**	15.21	
56	**Capital adequacy ratio (%)**	19.69	
57	**Additional capital requirements (%)**	4.00	
58	of which: Capital conservation buffer requirements	2.50	
59	of which: Countercyclical buffer requirements	0	
60	of which: Bank G-SIB and/or D-SIB additional requirements	1.50	
61	**CET 1 available after meeting the bank's minimum capital requirements (%)**	9.21	
Minimum regulatory capital requirements			
62	Common Equity Tier 1 ratio (%)	5.00	
63	Tier 1 ratio (%)	6.00	
64	Capital adequacy ratio (%)	8.00	
Amounts below the threshold deductions			
65	Amount not deducted from non-significant investments in the capital of other financial institutions outside of the regulatory scope of consolidation	129,573	
65a	Amount not deducted from non-significant investments in TLAC of other financial institutions outside the regulatory scope of consolidation (applicable for global systemically important banks only)	14,657	
66	Amount not deducted from significant investments in the capital of other financial institutions outside of the regulatory scope of consolidation	16,853	
67	Other deferred tax assets relying on the Bank's future profitability (net of deferred tax liabilities)	117,516	
Caps on the inclusion of provisions in Tier 2 capital			
68	Excess of provisions to expected losses related to portfolios uncovered by IRB approach	145,683	
69	Excess of provisions to expected losses related to portfolios uncovered by IRB approach to be included in Tier 2 capital	76,571	
70	Excess of provisions to expected losses related to portfolios covered by IRB approach	344,367	
71	Excess of provisions to expected losses related to portfolios covered by IRB approach to be included in Tier 2 capital	307,950	

3.3 Reconciliation of Regulatory Capital to Balance Sheet

As of December 31, 2024, the difference between the scope of the Group's regulatory consolidation and accounting consolidation mainly includes CCB Life Insurance Co., Ltd., as well as other insurance, and industrial and commercial subsidiaries. Detailed information of CCB Life Insurance Co., Ltd. is disclosed in the annual report 2024 of CCB.
(website link: https://en.ccb.com/eng/investor/performancereports/annual_reports/index.shtml)

The following table shows the differences between the Group's balance sheet of the accounting scope of consolidation and regulatory scope of consolidation and the constitutive relation between the balance sheet and the capital items disclosed in Table CC1.

Table 4 (CC2): Reconciliation of Regulatory Capital to Balance Sheet

(In millions of RMB)		a	b	c
		December 31, 2024		Code
		Balance sheet of the accounting scope of consolidation	Balance sheet of the regulatory scope of consolidation	
Assets				
1	Cash and deposits with central banks	2,571,361	2,571,361	
2	Deposits with banks and non-bank financial institutions	154,532	140,993	
3	Precious metals	138,433	138,433	
4	Placements with banks and non-bank financial institutions	672,875	672,874	
5	Positive fair value of derivatives	108,053	108,053	
6	Financial assets held under resale agreements	622,559	606,430	
7	Loans and advances to customers	25,040,400	25,041,510	
8	Financial investment	10,683,963	10,403,886	
9	Financial assets measured at fair value through profit or loss	612,504	491,821	
10	Financial assets measured at amortised cost	7,429,723	7,385,257	
11	Financial assets measured at fair value through other comprehensive income	2,641,736	2,526,808	
12	Long-term equity investments	23,560	38,496	
13	Fixed assets	165,116	163,469	
14	Construction in progress	4,319	3,842	
15	Land use rights	12,417	12,040	
16	Intangible assets	5,830	5,009	b
17	Goodwill	2,522	2,170	a
18	Deferred tax assets	120,485	117,516	
19	Other assets	244,724	226,753	
20	**Total assets**	40,571,149	40,252,835	
Liabilities				
21	Borrowings from central banks	942,594	942,594	
22	Deposits from banks and non-bank financial institutions	2,835,885	2,838,113	
23	Placements from banks and non-bank financial institutions	479,881	477,994	
24	Financial liabilities measured at fair value through profit or loss	240,593	239,590	
25	Negative fair value of derivatives	93,990	93,985	
26	Financial assets sold under repurchase agreements	739,918	720,964	
27	Deposits from customers	28,713,870	28,719,065	

(In millions of RMB)		a	b	c
		December 31, 2024		Code
		Balance sheet of the accounting scope of consolidation	Balance sheet of the regulatory scope of consolidation	
28	Accrued staff costs	60,661	58,478	
29	Taxes payable	40,388	40,021	
30	Provisions	38,322	38,321	
31	Debt securities issued	2,386,595	2,374,239	
32	Deferred tax liabilities	1,525	759	
33	of which: Related to goodwill	-	-	c
34	of which: Related to intangible assets	-	-	d
35	Other liabilities	652,962	362,127	
36	**Total liabilities**	37,227,184	36,906,250	
Equity				
37	Share capital	250,011	250,011	e
38	Other equity instruments - preference shares	59,977	59,977	
39	Other equity instruments - perpetual bonds	100,000	100,000	
40	Capital reserve	135,736	135,610	g
41	Other comprehensive income	57,901	65,136	
42	Surplus reserve	402,196	402,196	h
43	General reserve	534,591	534,151	i
44	Undistributed profits	1,781,715	1,782,502	j
45	Total equity attributable to equity shareholders of the Bank	3,322,127	3,329,583	
46	Non-controlling interests	21,838	17,002	
47	**Total equity**	3,343,965	3,346,585	

4 Links Between Financial Statements and Regulatory Exposures

4.1 Explanations of Differences Between Accounting and Regulatory Exposure Amounts

Differences between Regulatory and Financial Consolidation

According to regulatory requirements, the Group does not include insurance subsidiaries and industrial and commercial subsidiaries into the scope of regulatory consolidation, resulting in differences in assets and liabilities under regulatory and financial consolidation.

Differences between Accounting Book Values and Risk Exposures in Regulatory Capital Calculation

Due to factors such as off-balance sheet conversion, impairment provisions, and net settlement, there are differences between risk exposures and accounting book values under regulatory consolidation.

Treatment of Insurance Subsidiaries

When calculating consolidated capital regulatory metrics, the Group does not include insurance companies with majority voting rights or control rights in the consolidation scope, in accordance with the relevant provisions of the *Rules on Capital Management of Commercial Bank*s, issued by National Financial Regulatory Administration. The Group deducts equity investment in insurance subsidiaries from regulatory capital through thresholds for deduction, with the undeducted portion treated as equity investments in insurance subsidiaries to calculate credit risk-weighted assets. The Group does not incorporate the surplus reserves of insurance subsidiaries when calculating the capital adequacy ratio.

5 Remuneration

5.1 Remuneration Policy

Remuneration Management Structure and Decision-making Process

The Bank's major allocation rules and other significant matters relating to remuneration management need to be proposed to the Nomination and Remuneration Committee of the Board of Directors for review and approval. Important proposals relating to remuneration allocation are required to be voted and approved by the shareholders' general meeting or reported to the national competent authorities for approval and filing.

The Nomination and Remuneration Committee of the Board of Directors of the Bank consisted of five directors at the end of 2024. Mr. Leung Kam Chung, Antony, independent non-executive director of the Bank, currently serves as chairman of the Nomination and Remuneration Committee. Members include Ms. Li Lu, Mr. Graeme Wheeler, Mr. Michel Madelain and Lord Sassoon. Among them, one is non-executive director, and four are independent non-executive directors.

The primary responsibilities of the Nomination and Remuneration Committee of the Board of Directors include:

- to organise the formulation of standards and procedures for the election of directors and senior management members of the Bank, and submit the proposed procedures and standards to the Board of Directors for approval;
- to propose to the Board of Directors on candidates for directors, president, chief audit officer and the secretary to the Board of Directors;
- to propose to the Board of Directors on candidates for members of special committees of the Board of Directors;
- to review the candidates for senior management members of the Bank nominated by president and make suggestions to the Board of Directors;
- to listen to development plans for senior management members and fostering plans for the key backup talents;
- to review the Bank's remuneration management policy submitted by the president, and submit it to the Board of Directors for decision;
- to organise the preparation of performance evaluation methods for directors and remuneration distribution methods for directors, and submit them to the Board of Directors for review;
- to organise the preparation of performance evaluation methods and remuneration distribution methods for senior management members of the Bank, and submit them to the Board of Directors for decision;
- to organise performance evaluation on directors, make proposals on the distribution of remuneration of directors, and submit it to the Board of Directors for review;
- to organise performance evaluation for senior management members of the Bank, make suggestions on remuneration distribution plan for senior management members of the Bank, and submit it to the Board of Directors for decision;
- to supervise the implementation of the Bank's performance evaluation policy and remuneration policy;

- to discharge other responsibilities of the Committee.

In 2024, the Nomination and Remuneration Committee of the Board of Directors convened eight meetings in total.

For the remuneration of members of the Board Nomination and Remuneration Committee, please see the chapter *Remuneration of Directors, Supervisors and Senior Management* in the *'China Construction Bank Corporation 2024 Annual Report'*.

Senior management and key personnel are individuals identified by the Bank based on factors such as its organizational structure and characteristics, market scale, and risk control capabilities, who have a direct or significant impact on operational risk.

Remuneration Policy

The Bank continues to improve its remuneration policies in accordance with regulatory requirements, fully utilising the incentive and restraint functions of performance-based remuneration. The Bank establishes the principle of assessment and assignment that encourages value creation, allocates the salary resources to operation institutions, front office departments and positions that directly create value, strictly implements incentive and guarantee policies and strengthens income guarantee for frontline employees, to enhance the sense of gain of staff. The Bank strengthens remuneration management over overseas institutions and controlled subsidiaries, and optimises income distribution structures, and improve incentive protection mechanisms. Additionally, the Bank further refines its performance management system and incentive-constraint mechanisms to enhance the Group's management standards and operational efficiency. The Bank continues to improve the deferred payment and claw back management mechanisms for performance-based salary, and deducts the salary of employees who have received disciplinary action or other penalties due to violation of regulations or dereliction of duty.

The remuneration for staff engaging in risk and compliance management is independent from the business areas they supervised and has nothing to do with the performance evaluation of the business areas they supervise. Their performance objective is consistent with the risk control responsibilities they undertake.

Remuneration and Risks

Risk measurement factors are reflected in allocation of gross staff cost, allocation linked with staff cost in line of business and staff salary distribution. The Bank supports risk control behaviours, as well as other behaviours that are consistent with the risk framework system and long-term financial indicator and focuses on the ratio of fixed to flexible remuneration, in order to achieve an appropriate balance. The fixed salary portion can attract and keep skilled staff, while flexible remuneration can stimulate staff that have remarkable performance but prohibit excessive risk-taking, both of which support the Bank in realising its business strategies and targets within the controllable risk goals and risk management framework.

Remuneration and Performances

Staff remuneration of the Bank includes fixed salary and performance-based salary. Fixed salary mainly relates to staff's years of working and job level, representing the fundamental guarantee and overall balance. Performance-based salary reflects the completion status of objective and performance assessment result and mainly relates to economic value added ("EVA"), pre-provision operating profit, completion of strategic business indicators, and KPI results.

The Bank consistently pays high attention to maintaining the balance between long-term and short-term development where remuneration distribution is concerned, and through performance-based remuneration, seeks to identify the optimal synergies between the balanced development of existing businesses and long-term stable and sustainable development. In this regard, the policies and methods currently adopted mainly include: 1. adopting a performance-based compensation allocation method based on EVA, which not only reflects the realisation of revenue for current period, but also takes into account the pre-provision operating profit, asset quality and economic capital constraints, and pays attention to stability, coordination and sustainability; 2. establishing a deferred balance mechanism and a pool of performance-based bonuses to reduce significant volatilities between different years, and support the continuous and steady development; and 3. allocating strategic performance-based remunerations specifically for bank-wide strategic business initiatives and customer acquisition, promoting long-term sustainable development and enhancing value creation capabilities.

Flexible Remuneration Payment Tools

Pursuant to relevant government policies, the Bank's payment tools of flexible remuneration include cash and equity. After the implementation of the first employee stock incentive plan of the Bank in July 2007, the Bank did not add new participants or implement any new round of stock incentive plan in subsequent years. In the future, the Bank will pay close attention to regulatory policies and peer dynamics, and timely explore and innovate incentive methods.

6 Credit Risk

6.1 Credit Risk Management

Credit Risk Management Framework

The Bank maintains a steady and prudent risk appetite, and adheres to the basic principle that business development should be subject to risk prevention and control capabilities. Risk management covers all business segments of the Group, including domestic branches, as well as overseas operations, and subsidiaries. Guided by a unified credit policy, the Bank focuses on serving the real economy and prioritized business to support key national strategies, areas and weak links for long-term sustainable development. The Bank strikes the balance between development and security, reinforces the collaboration of the "three lines of defence" in risk control, and effectively carries out tasks related to supporting the real economy while preventing and resolving financial risks.

Credit Risk Management Policy

Based on its development strategy and risk appetite, the Bank has formulated credit risk management policies, which include:

Industry policies: strictly implementing macroeconomic policies and industrial policy, complying with the trend of national economic restructuring, implementing major national strategies, actively supporting the upgrading of traditional industries and technological innovation of enterprises, comprehensively promoting the development of technology finance, green finance, inclusive finance, pension finance and digital finance, and guiding the whole Bank to actively adjust the industry structure; effectively preventing the systematic risk and concentration risk of the industry by refining the classified management of the industry and improving the differentiated arrangement.

Customer policies: defining the bottom line of customer access and classification criteria in different industries and strengthening customer selection in combination with the national industrial policy, risk appetite and the risk characteristics of customers in each industry of the Bank; using differentiated credit policy arrangements for different customer groups' financial service needs to improve comprehensive customer service capabilities.

Regional policies: fully considering the resource endowment, market environment, market potential and management foundation of the regions where different branches are located according to the overall national regional development strategy, major regional development strategy and the characteristics of regional economic operation, and clarifying differentiated regional policy arrangements for key industries.

Credit Risk Limit

The Bank has established a customer-centric comprehensive financing approval system for corporate customers, incorporating the credit and non-credit investment and financing businesses of the same customer in CCB Group into unified approval management, which effectively strengthened the Group's integrated collaborative risk control.

The Bank formulates industry limit management plan on an annual basis, determines the upper limit of each industry's annual new risk exposure through optimisation allocation model, guides the whole Bank to conduct various businesses in a safe and orderly manner under the unified risk appetite of the Group, and prioritises the limited resources to industry and customers with high returns and low capital occupation.

Credit Risk Management and Internal Control Structure

The Bank implements unified credit risk management, in accordance with the principle of "full penetration", the Credit Management Department is the leading department responsible for overall management of the Group’s credit risk. The Risk Management Department takes the lead in the development and implementation of the credit risk measurement tools including customers rating and facilities grading. The Special Assets Resolution Department is responsible for the special assets resolutions. The Credit Approval Department is responsible for specific credit management work such as comprehensive credit limits and credit approval of various credit businesses for the Group’s customers. With the Credit Management Department taking the lead, the Credit Approval Department and the Risk Management Department participate in, share the workload and coordinate with other departments such as the Corporate Banking Department, the Inclusive Finance Department, the Rural Revitalisation Finance Department, the Institutional Banking Department, the International Business Department, the Strategic Clients Department, the Housing Finance & Personal Lending Department, the Credit Card Centre, and the Legal Department to implement credit risk management policies and procedures.

The objective of the Bank's internal control is to reasonably ensure the legality and compliance of operation and management, the safety of assets, the authenticity and integrity of financial reports and relevant information, to improve operational efficiency and effectiveness, and to promote the implementation of development strategies. The Board of Directors is responsible for establishing, improving and effectively implementing internal control, evaluating its effectiveness, and supervising the effective operation of the internal control system in accordance with the requirements regarding the standardised system of enterprise internal control. The Bank's senior management is responsible for organising and leading the daily operation of internal control. The Bank has established an internal control organisational structure consisting of internal control management department, business department and audit department with reasonable division of functions, definite responsibilities and clear reporting relationship. Among them, the internal control management department is the functional department leading the internal control management, leading the overall planning, organisation, implementation, inspection and evaluation of the internal control system. The business department is responsible for the construction and implementation as well as effectiveness of its own internal control. The audit department performs the function of supervision.

Credit Risk Prevention and Control System

The Bank implements the comprehensive risk management requirements of "full coverage, whole processes, all participation, systemic knowledge, global vision and enterprise-wide governance", and focuses on the overall situation based on overall considerations. According to the risk management requirements of "three lines of defence",the first line of defence (Business Operation and Management Departments) is responsible for comprehensively, accurately, and timely understanding customer situations, implementing risk control requirements throughout business processes, timely identifying, reporting, and responding to risk. The second line of defence (Credit Risk Management Departments and Others) is responsible for overseeing and supervising risk control and internal control processes, and maintaining scientific and rational risk judgment. It continues to enhance professional capabilities, provides more scientific and effective policies, systems, models, and tools to support front-line operations, and delivers agile and professional services. The third line of defence (Internal Audit Department) maintains highly independence, professionalism, and authority, and promptly identifies and issues risk alerts.

Credit Risk Reporting

The Bank has integrated credit risk management into its comprehensive risk management system, incorporating key aspects of credit risk management, including asset quality management, financial asset risk classification, collateral management, and the operation of its internal credit risk rating system as integral components of its comprehensive risk management report. These are regularly reported to the Board of Directors and senior management.

6.2 Credit Risk Measurement

This chapter shows the banking book credit risk exposure under different measurement methods, excluding counterparty credit risk, credit valuation adjustment risk, asset management products and securitisations.

6.2.1 Regulatory Weighting Approach

The following table shows the credit risk exposure uncovered by IRB approach grouped by risk weight.

Table 5 (CR5-2): Credit Risk Exposure and Credit Conversion Factor (By Risk Weight)

(In millions of RMB, except percentages)		a	b	c	d
		December 31, 2024			
Risk weight		On-balance sheet assets[1]	Off-balance sheet assets before conversion[1]	Average CCF	On/off-balance sheet risk exposure (after conversion, and risk mitigation)[2]
1	Lower than 40%	13,766,676	104,020	13.55%	14,196,171
2	40-70%	342,231	77,359	42.08%	391,409
3	75%	2,541,772	1,066,633	10.72%	2,648,734
4	85%	32,277	10,014	33.89%	32,735
5	90-100%	1,382,566	528,980	46.47%	1,209,124
6	105-130%	9,605	2,129	40.23%	7,710
7	150%	13,517	144	12.09%	12,114
8	250%	233,068	-	-	233,068
9	400%	243	-	-	243
10	1250%	21,887	-	-	21,887
11	**Total**	18,343,842	1,789,279	22.97%	18,753,195

1. On-balance sheet assets and off-balance sheet assets before conversion refer to asset balance without considering credit risk mitigation.
2. On/off-balance sheet risk exposure (after conversion and risk mitigation) cannot be directly calculated with columns a, b and c due to the consideration of risk mitigation.

6.2.2 Internal Ratings-based Approach

Internal Ratings-based Model Management

The Bank's Internal Ratings-based Model is developed by the Measurement Model Development Division of Risk Management Department and verified by the Verification Management Division of Risk Management Department, and the Audit Department conducts audit work on the model development and verification. Model development, verification and audit are independent.

The Internal Ratings-based Model is approved by the senior management. The Risk Management Department updates the model in a timely manner according to the operational monitoring after the model is launched online. According to regulatory requirements, the

Bank’s validation report covers model methodology, data samples, model performance, support system and other aspects.

Internal Ratings-based Model Main Features

For non-retail business, the primary Internal Ratings-based approach has been implemented after being approved by regulator, including risk exposures of corporates and financial institutions. The scope of institutions covers the Bank and CCB (Asia). The customer rating methods and parameters meet the relevant requirements of advanced capital measurement methods. The non-retail internal rating system includes more than 20 corporate risk exposure models and nearly 10 financial institution risk exposure models. Under the similar risk exposures, the differentiated design of the evaluation index system reflects the differentiated risk law and evaluation logic of different types of customers and sets differentiated evaluation parameters according to the historical risk levels. Default probability refers to the likelihood of a customer defaulting within the next year. The Bank primarily constructs non-retail customer rating models using statistical methods based on its internally accumulated historical data. For low-default portfolios, default probability estimates are determined by accessible external data sources.

For retail business, the pooling model is applied, for which the advanced internal ratings-based approach is approved to be used, to address retail risk exposures, including risk exposures to individual residential mortgage, qualified revolving retail and other retails, and the institutions cover domestic legal entities. The retail internal rating system consists of 13 retail pooling models. The default probability and credit conversion factor pools under similar risk exposures are divided based on product types, overdue status, and other conditions. The loss given default pools are divided based on product types, default status, and other conditions. The Bank’s retail pools set the bottom-line default probability parameters in accordance with the Capital Rules, calculates the average value of the actual default probability at the end of each year, and timely calibrates the parameters when the parameter values are lower than the standard ones. The discounted cash flow method is used to calculate the loss given default, and the settlement period is determined according to the settlement curve, and the recession period is adjusted. Retail poolings use the 12-month fixed term method to estimate the credit conversion factors, which represents that, for each observation sample in the data set, the default result is associated with the debtor and debt characteristics 12 months before the default.

The proportion of default risk exposure covered by the internal rating-based approach in the total default risk exposure is 56.12%, and the proportion of risk-weighted assets covered by the internal rating-based approach in the total risk weighted assets is 70.05%.

The following table shows the credit risk exposure covered by IRB approach under different categories of risk exposure and PD ranges.

Table 6 (CR6): Credit Risk Exposure under the FIRB Approach (By Category of Risk Exposure and PD Range)

Credit Risk Exposure under the FIRB Approach

(In millions of RMB, except percentages and the number of obligors)		a	b	c	d	e	f	g	h	i	j	k	l
		December 31, 2024											
Category of risk exposure	PD ranges (%)	**On-balance sheet assets[1]**	**Off-balance sheet assets before conversion[1]**	**Average CCF**	**EAD (after risk mitigation and conversion)[2]**	**Average PD (weighted EAD)[2]**	**Number of obligors**	**Average LGD[2]**	**Average maturity (year)[2]**	**Risk-weighted assets[2]**	**Risk weight**	**Expected loss[2]**	**Provisions**
Financial institutions	[0.00,0.15)	1,904,390	115,315	33.63%	1,943,280	0.09%	96	44.36%	2.41	707,021	36%	796	
	[0.15,0.25)	806,442	94,170	20.11%	830,640	0.19%	131	41.68%	2.34	433,445	52%	658	
	[0.25,0.50)	504,840	56,617	25.84%	519,471	0.25%	96	42.07%	2.36	302,662	58%	546	
	[0.50,0.75)	288,388	14,177	35.79%	291,447	0.64%	248	34.23%	2.08	186,161	64%	630	
	[0.75,2.50)	33,087	1,291	53.17%	33,774	1.12%	76	22.78%	1.58	17,631	52%	81	
	[2.50,10.00)	4,312	-	-	955	4.13%	3	36.04%	2.10	1,292	135%	14	
	[10.00,100.00)	-	-	-	-	-	-	-	-	-	-	-	
	100 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Subtotal	3,541,459	281,570	27.74%	3,619,567	0.19%	650	42.40%	2.35	1,648,212	46%	2,725	3,016
Corporate[3]	[0.00,0.15)	571,647	83,254	28.88%	604,638	0.11%	136	40.01%	2.50	167,797	28%	276	
	[0.15,0.25)	240,050	42,293	30.60%	281,043	0.19%	165	39.99%	2.50	106,307	38%	214	
	[0.25,0.50)	247,026	83,543	37.58%	287,744	0.25%	195	39.69%	2.50	125,069	43%	285	
	[0.50,0.75)	2,715,275	1,633,942	43.35%	3,774,273	0.66%	6,595	39.00%	2.50	2,535,837	67%	9,655	
	[0.75,2.50)	7,062,978	2,637,093	20.80%	7,363,899	1.38%	36,030	38.04%	2.50	6,002,432	82%	38,501	
	[2.50,10.00)	650,884	188,823	47.35%	629,374	3.99%	9,291	32.61%	2.50	578,042	92%	8,123	
	[10.00,100.00)	107,935	18,706	48.31%	107,097	29.96%	2,163	34.38%	2.50	149,805	140%	11,327	
	100 (Default)	191,355	3,533	35.59%	182,986	100.00%	2,466	38.66%	2.50	10,205	6%	141,571	
	Subtotal	11,787,150	4,691,187	30.78%	13,231,054	2.79%	57,041	38.20%	2.50	9,675,494	73%	209,952	498,673

(In millions of RMB, except percentages and the number of obligors)		a	b	c	d	e	f	g	h	i	j	k	l
		December 31, 2024											
Category of risk exposure	PD ranges (%)	**On-balance sheet assets[1]**	**Off-balance sheet assets before conversion[1]**	**Average CCF**	**EAD (after risk mitigation and conversion)[2]**	**Average PD (weighted EAD)[2]**	**Number of obligors**	**Average LGD[2]**	**Average maturity (year)[2]**	**Risk-weighted assets[2]**	**Risk weight**	**Expected loss[2]**	**Provisions**
Of which: Corporate - Specialised lending	[0.00,0.15)	29,707	25,802	30.60%	38,836	0.14%	9	40.00%	2.50	12,425	32%	22	
	[0.15,0.25)	9,314	4,475	18.35%	11,367	0.19%	7	40.00%	2.50	4,312	38%	9	
	[0.25,0.50)	9,371	2,659	14.00%	10,169	0.25%	6	40.00%	2.50	4,472	44%	10	
	[0.50,0.75)	63,332	49,082	7.17%	125,030	0.68%	98	40.00%	2.50	87,383	70%	340	
	[0.75,2.50)	1,010,938	629,653	4.99%	992,825	1.39%	3,306	39.88%	2.50	890,732	90%	5,505	
	[2.50,10.00)	60,560	27,252	2.67%	50,729	3.65%	262	39.92%	2.50	60,632	120%	739	
	[10.00,100.00)	6,004	1,091	17.64%	6,197	15.84%	28	40.00%	2.50	12,166	196%	393	
	100 (Default)	30	-	-	30	100.00%	1	40.00%	2.50	0	0%	13	
	Subtotal	1,189,256	740,014	6.21%	1,235,183	1.43%	3,717	39.90%	2.50	1,072,122	87%	7,031	31,250
Total FIRB approach (all risk exposure)		15,328,609	4,972,757	30.61%	16,850,621	2.23%	57,691	39.10%	2.47	11,323,706	67%	212,677	501,689

1. On-balance sheet assets, off-balance sheet assets before conversion are both without considering the risk mitigation.
2. The result of EAD, average PD, average LGD, average maturity, risk-weighted assets, expected loss have considered risk mitigation.
3. The corporate risk exposure includes general corporate, SME treated as corporate, and specialised lending. This table shows corporate risk exposure and specialised lending as one composition of it.

Credit Risk Exposure under the AIRB Approach

(In millions of RMB, except percentages and the number of obligors)		a	b	c	d	e	f	g	h	i	j	k	l
		December 31, 2024											
Category of risk exposure	PD ranges (%)	On-balance sheet assets[1]	Off-balance sheet assets before conversion[1]	Average CCF	EAD (after risk mitigation and conversion)[2]	Average PD (weighted EAD)[2]	Number of obligors	Average LGD[2]	Average maturity (year)[2]	Risk-weighted assets[2]	Risk weight	Expected loss[2]	Provisions
Retail - Individual residential mortgage	[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
	[0.15,0.25)	260,554	-	-	260,554	0.22%	1,135,619	23.52%	-	29,427	11%	150	
	[0.25,0.50)	3,661,111	-	-	3,661,111	0.43%	8,958,373	24.34%	-	695,193	19%	4,267	
	[0.50,0.75)	1,279,678	-	-	1,279,678	0.66%	2,825,738	25.72%	-	346,596	27%	2,418	
	[0.75,2.50)	595,602	-	-	595,602	1.46%	1,169,207	25.47%	-	263,805	44%	2,453	
	[2.50,10.00)	192,347	-	-	192,347	5.65%	472,174	25.09%	-	184,813	96%	3,037	
	[10.00,100.00)	165,785	-	-	165,785	18.82%	424,263	25.00%	-	227,049	137%	8,699	
	100 (Default)	43,390	-	-	43,390	100.00%	106,731	58.65%	-	134,100	309%	18,252	
	Subtotal	6,198,467	-	-	6,198,467	1.92%	15,092,105	24.98%	-	1,880,983	30%	39,276	85,113
Retail - Qualified revolving retail	[0.00,0.15)	40,372	628,497	51.03%	361,094	0.10%	23,360,996	63.37%	-	13,774	4%	229	
	[0.15,0.25)	67,089	319,764	58.56%	254,356	0.20%	15,349,533	68.22%	-	18,514	7%	347	
	[0.25,0.50)	124	25,205	40.30%	10,280	0.30%	1,582,302	50.28%	-	774	8%	16	
	[0.50,0.75)	41	154	57.67%	130	0.50%	195,803	64.91%	-	19	15%	0	
	[0.75,2.50)	148,452	166,496	67.57%	260,948	1.37%	13,927,175	76.81%	-	96,372	37%	2,805	
	[2.50,10.00)	82,036	13,434	86.87%	93,706	5.12%	4,567,393	84.72%	-	96,885	103%	4,057	
	[10.00,100.00)	30,275	2,274	80.58%	32,107	29.17%	1,871,883	84.29%	-	59,815	186%	7,891	
	100 (Default)	14,063	-	-	14,063	100.00%	688,097	91.81%	-	5,520	39%	13,319	
	Subtotal	382,452	1,155,824	55.74%	1,026,684	3.18%	61,543,182	70.85%	-	291,673	28%	28,664	36,227

(In millions of RMB, except percentages and the number of obligors)		a	b	c	d	e	f	g	h	i	j	k	l
		December 31, 2024											
Category of risk exposure	PD ranges (%)	On-balance sheet assets[1]	Off-balance sheet assets before conversion[1]	Average CCF	EAD (after risk mitigation and conversion)[2]	Average PD (weighted EAD)[2]	Number of obligors	Average LGD[2]	Average maturity (year)[2]	Risk-weighted assets[2]	Risk weight	Expected loss[2]	Provisions
Retail - Other retails lending	[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
	[0.15,0.25)	-	-	-	-	-	-	-	-	-	-	-	
	[0.25,0.50)	21	-	-	21	0.47%	37	15.00%	-	2	10%	0	
	[0.50,0.75)	55,931	-	-	55,931	0.52%	293,845	33.18%	-	13,702	24%	98	
	[0.75,2.50)	102,188	0	10.00%	102,188	1.85%	171,373	45.45%	-	58,267	57%	861	
	[2.50,10.00)	49,973	1	10.00%	49,973	3.68%	81,357	48.27%	-	34,301	69%	870	
	[10.00,100.00)	3,537	-	-	3,537	31.48%	15,766	35.84%	-	2,486	70%	436	
	100 (Default)	6,983	0	10.00%	6,983	100.00%	23,861	65.85%	-	7,533	108%	5,036	
	Subtotal	218,633	1	10.00%	218,633	5.54%	586,239	43.45%	-	116,291	53%	7,301	9,256
Total AIRB approach (all risk exposure)		6,799,552	1,155,825	55.74%	7,443,784	2.20%	77,221,526	31.85%	-	2,288,947	31%	75,241	130,596

1. On-balance sheet assets, off-balance sheet assets before conversion are both without considering the risk mitigation.
2. The result of EAD, average PD, average LGD, average maturity, risk-weighted assets, expected loss have considered risk mitigation.
3. In accordance with regulatory requirements, the number of obligors of retail exposures shows the number of debts under respective risk exposure category.

7 Counterparty Credit Risk

7.1 Counterparty Credit Risk Management

In recent years, the Group has been constantly making improvement to its risk management system for counterparty credit risk ("CCR") and promoting the establishment of policies, processes, measurement and systems. In 2024, the Bank strengthened risk management and control of derivatives business, established counterparty credit risk capital limits, and monitored on a quarterly basis. The Bank tracked market fluctuations in a timely manner and actively responded to extreme market changes, carried out multiple rounds of stress testing on exchange rate derivatives and risk screening, and took measures to mitigate risks in advance. The Bank constantly upgraded functions of the CCR management system, so as to empower branches to reduce risk management burdens. Against the backdrop of highly volatile foreign exchange market in 2024, the Group effectively prevented the transformation of market risk into CCR.

The Group measures the counterparty credit risk in accordance with the *Rules on Capital Management of Commercial Banks*, using the standardised approach to measure exposure at default of counterparty credit risk and the transaction exposure of central counterparty credit risk. The Group measures counterparty credit risk-weighted assets using regulatory weighting approach, and measures credit valuation adjustment risk-weighted assets using the simplified approach.

In the event of a credit rating downgrade, the Credit Support Annex (CSA) agreements signed by the Bank with a limited number of counterparties stipulate changes to the threshold amount, minimum transfer amount, and independent amount for margin calculations, requiring the payment of additional margin according to the agreements. For centrally cleared transactions, where the Bank's counterparty is replaced by a Central Counterparty (CCP) upon entering into central clearing, a unilateral credit rating downgrade will not directly impact the Bank's margin requirements.

7.2 Counterparty Credit Risk Measurement

The following table shows the Group's exposure at default, risk-weighted assets, and their calculation parameters under the counterparty credit risk framework.

Table 7 (CCR1): Counterparty Credit Risk Exposure (By Measurement Method)

	(In millions of RMB, except coefficient)	a	b	c	d	e	f
		December 31, 2024					
		Replacement costs (RC)	Potential risk exposure (PFE)	Add-on factors for potential risk exposure	α (used to measure regulatory risk exposure)	EAD after credit risk mitigation	Risk-weighted assets[1]
1	Standardised approach (derivatives)	82,519	98,364		1.4	253,236	84,428
2	Current exposure method (derivatives)	-		-	1	-	-
3	Securities financing transactions					624,871	83
4	**Total**					878,107	84,511

1. The risk-weighted assets of counterparty credit risk excludes the risk-weighted assets of central counterparty (CCP) risk exposure of RMB 32,589 million.

8 Securitisation

8.1 Objectives and Policies for Securitisation

As originator, the Group issuing credit securitisation products mainly aims to revitalise existing portfolios, optimise credit structure, enhance the quality of assets, continue to strengthen the disposal of non-performing assets through securitisation, further facilitate disposals, and accelerate the effective release of credit resources. The Group adopts disciplined information disclosures and market-based asset pricing to further improve the quality of assets, the operational and management level and the ability to serve the real economy. The main risks assumed by the Group include: 1) possible future losses of senior and subordinated securities retained by the Group as per regulatory requirements; and 2) reputational risk arising from failure to pay the principal or interest of senior securities on time due to overdue or default of a large amount of underlying assets. The credit risk of whether securitised assets are transferred by the Group to other entities and the degree of the transfer of such assets are determined by external third-party independent accountants considering the transaction structures of each securitisation project and the testing results of the risk-reward transfer model.

In terms of accounting policies, the Group securitises certain loans, which generally involves the sale of these assets to structured entities, which in turn issue securities to investors. Interests in the securitised financial assets may be retained in the form of credit enhancement, subordinated tranches or other residual interests (“retained interests”). Gains or losses on securitisation are the difference between the carrying amount of the derecognised financial assets and the consideration received (including retained interest) which is recognised in profit or loss.

In 2024, the Bank launched 17 securitisation projects, primarily rated by China Bond Rating Co., Ltd. and Golden Credit Rating International Co., Ltd.

As investor, the Group invests in securitisation products according to its investment strategy. The Group purchases and holds asset-backed securities to obtain returns on investments, and assumes corresponding credit risk, market risk and liquidity risk.

8.2 Securitisation Risk Exposure

The following table shows the carrying amount of securitisation exposure in the Group's banking book, excluding the securitisation exposure under asset management products. On 31 December 2024, there is no securitisation exposure in the Group's trading book.

Table 8 (SEC1): Banking Book Securitisation

	(In millions of RMB)	a	b	c	d	e	f	g	h	i	j	k	l
		December 31, 2024											
		The Bank acts as originator				The Bank acts as sponsor				The Bank acts as investor			
		Traditional	of which: STC	Synthetic	Subtotal	Traditional	of which: STC	Synthetic	Subtotal	Traditional	of which: STC	Synthetic	Subtotal
1	**Total retail securitisation**	7,195	-	-	7,195	-	-	-	-	387	-	-	387
2	of which: Residential mortgages	7,134	-	-	7,134	-	-	-	-	387	-	-	387
3	of which: Credit cards	52	-	-	52	-	-	-	-	-	-	-	-
4	of which: Other retail exposures	9	-	-	9	-	-	-	-	-	-	-	-
5	of which: Re-securitisation	-		-	-	-		-	-	-		-	-
6	**Total wholesale securitisation**	25	-	-	25	-	-	-	-	-	-	-	-
7	of which: Corporate loans	25	-	-	25	-	-	-	-	-	-	-	-
8	of which: Commercial mortgages	-	-	-	-	-	-	-	-	-	-	-	-
9	of which: Lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-
10	of which: Other wholesale exposures	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: Re-securitisation	-		-	-	-		-	-	-		-	-

9 Market Risk

9.1 Market Risk Management

Market risk is the risk of loss in respect of the Group's on and off-balance sheet activities, caused by adverse movements in market rates, including interest rates, foreign exchange rates, commodity prices and stock prices, etc. Market risk arises from both the Group's trading and banking book. A trading book consists of financial instruments, foreign exchange and commodity positions held either with trading intent or to hedge other risks of the trading book. A banking book records other instruments which are not included in the trading book.

The market risk management of the Group aims at building a group-wide comprehensive management system of market risk and investment and trading business, effectively identifying, measuring, monitoring, controlling and reporting market risk; maintaining a competitive net interest spread and return on investment portfolio through effective market risk operation and management; balancing risk and return to further improve market competitiveness of the Bank.

The Group formulates market risk management policies, develops market risk measurement tools and systems, and carries out market risk monitoring and reporting. The Group clarifies market risk appetite every year, formulates annual investment transaction business risk policy limits, clarifies the boundary and bottom line of market risk bearing, integrates market risk management into operational processes, and implements market risk management normative requirements of the "six transaction" dimension (transaction business, transaction process, transaction system, transaction counterparty, transaction product, and transaction personnel).

The Bank clearly defines limit indicators for portfolios involving hedging transactions and derivatives trading in its risk limit plan for investment and trading business. These limits are regularly monitored and reported.

The Group formulates risk management policies for book division, clarifies the definition of transaction purpose activities and criteria for book division, and standardises the management process for book division of specific matters. The current book division results of the Group meet the general presumption requirements, and there are no relevant instruments to be disclosed. In 2024, the reclassification of banking and trading book only involved the conversion of bond trading business, mainly providing bond trading services for entities within the Group through "Northbound Trading", "Southbound Trading", and bond settlement agency, so as to enrich assets allocation channels and diversify investment risks. The total fair value of the instruments involved was about RMB35.3 billion.

Internal risk transfer activities of the Group may occur within the banking book, between the banking book and the trading book, or within the trading book (between different trading desks). Among them, the risk transfer arising from internal derivatives transactions is mainly in the form of general interest rate risk from the banking book to the trading book. The business categories include foreign exchange swaps, foreign exchange forwards, non-deliverable forwards, interest rate swaps, and currency interest rate swaps.

The Group has formed a market risk management structure consisting of the Board of Directors, the Board of Supervisors, senior management, relevant departments of the Head Office and domestic and overseas branches, and formed a "three lines of defence" market risk management system consisting of business operation departments, market risk management departments and internal audit departments. The risk management departments are independent of business operation departments.

The Group's market risk reporting system consists of regular reports and irregular reports. Regular reports include market risk daily reports, monthly reports, quarterly reports, and annual reports, and irregular reports include market risk flash reports, special reports, risk alerts, and major market risk emergency reports. The market risk measurement system covers all on and off-balance sheet businesses involved in market risk throughout the Group. Relying on the outcome of the "Blue Chip" project, the investment and trading business risk management and control platform, CCB self-developed an information system that meets the requirements of internal market risk management and supports risk measurement.

9.2 Market Risk Measurement

The following table shows the Group's composition of capital requirements under the standardised approach for market risk.

Table 9 (MR1): Market Risk Capital Requirements under the Standardised Approach

(In millions of RMB)		a December 31, 2024 Capital requirements under the standardised approach
1	General interest rate risk	1,728
2	Equity risk	1,030
3	Commodity risk	5,271
4	Foreign exchange risk	1,234
5	Credit spread risk - Non-securitisation products	3,441
6	Credit spread risk - Securitisation (non-correlation trading portfolio)	-
7	Credit spread risk - Securitisation (correlation trading portfolio)	-
8	Default risk - Non-securitisation products	6,561
9	Default risk - Securitisation (non-correlation trading portfolio)	-
10	Default risk - Securitisation (correlation trading portfolio)	-
11	Residual risk add-on	781
12	**Total**	20,046

10 Operational Risk

10.1 Operational Risk Management

The Group has established basic policies for operational risk management, and developed a risk management system that is tailored to the nature, scale, complexity, and risk characteristics of its business. This system clearly defines the governance structure and responsibilities, reinforces the coordinated control of “three lines of defence”, and is guided by the Group’s operational risk appetite and its transmission. It is supported by a range of operational risk management tools, while being underpinned by operational risk culture, workforce, incentives and restraint mechanisms, and IT systems. The system ensures the continuous identification, assessment, control, mitigation, monitoring, reporting, and capital measurement of operational risks across business products and management activities. It also includes periodic reviews and optimisation of the operational risk management system, effectively controlling operational risk, minimising losses, enhancing the organisation’s resilience to both internal and external incidents, and keeping operational risk exposure within control.

The Board of Directors of the Group considers operational risk to be one of the primary risks faced by the organisation and assumes ultimate responsibility for operational risk management. Senior management is responsible for the implementation of operational risk management, with key duties including the organisation and formulation of the fundamental operational risk management policies. An operational risk organisational structure is established, comprising Business and Management Department, Operational Risk Management Department, and Audit Department, with clear division of responsibilities and well-established reporting relationships. Specifically, Business and Management Department is the first line of defence in operational risk management. It is the direct bearer and manager of operational risk, responsible for identifying, assessing, controlling, mitigating, monitoring, and reporting operational risk within its own domain. Operational Risk Management Department serves as the second line of defence, responsible for guiding and overseeing the operational risk management activities in the first line of defence. Audit department, as the third line of defence, is responsible for supervising and evaluating the effectiveness and performance of both the first and second lines of defence.

The Group upholds a steady, prudent, comprehensive and proactive risk culture, and advocates for risk management to be started at the senior level and be communicated throughout the organisation, promotes the concept of all participation, full coverage, whole processes and proactive. Under the overall framework based on its risk appetite, the Group effectively sets operational risk appetite and drives its transmission, and continues to strengthen risk monitoring to ensure that operational risk remains at an acceptable level. The Group emphasises the regular reporting of the overall status of operational risk management and major operational risk incidents to the Board of Directors and senior management, providing effective support for decision-making.

The Group views strengthening internal control as effective means of managing operational risk. Based on the results of risk identification and assessment, internal control requirements are fully considered and mitigation measures are implemented in policies, business processes, and IT systems. For different levels of operational risk, the Group adopts differentiated management strategies such as acceptance, reduction, transfer, and avoidance. For businesses with higher operational risks, measures such as purchasing insurance and outsourcing are taken to mitigate risks. For those that cannot be effectively mitigated, an avoidance strategy is adopted, strictly controlling product and business access. In terms of outsourcing management, the Group establishes management systems, improves mechanisms, clarifies requirements, and continues to strengthen risk control in key areas such as information technology outsourcing.

In 2024, the Group actively aligned itself with regulatory requirements set forth by Basel III, *Rules on Capital Management of Commercial Banks* and *Operational Risk Management Regulations of Banking and Insurances Institutions*, effectively enhancing the level of operational risk management. The Group revised operational risk management policies, strengthened top-level design, deepened the application of management tools such as operational loss data, key risk indicators, and self-assessment for operational risks, further improved reporting mechanisms for operational risks, and orderly advanced regulatory assessment and acceptance work related to the new standardised approach for operational risk, thereby leading to an overall improvement in refined management capabilities. The Group continued to deepen business continuity management, improved the system of rules and regulations, focused on developing emergency plans and organised emergency drills, solidified the foundation of management, and enhanced the ability to handle emergencies. The Group continued to improve the employee behaviour management system, promoted compliance and standardized operations among employees, strengthened employee care and support, guiding them to correctly establish and practise compliance concepts.

The Bank has refined its operational risk capital measurement system by incorporating internal loss data from the operational risk management system and financial data from the financial reporting and monitoring analysis system, thereby supporting systematic measurement of operational risk capital.

10.2 Operational Risk Measurement

The following table shows the Group's minimum required operational risk capital.

Table 10 (OR3): Minimum required operational risk capital

(In millions of RMB, except ILM)		a
		December 31, 2024
1	Business indicator component (BIC)	139,554
2	Internal loss multiplier (ILM)	1
3	Minimum required operational risk capital (ORC)	139,554
4	Operational risk-weighted assets (RWA)	1,744,419

11 Interest Rate Risk of Banking Book

11.1 Risk Management Objectives and Policies for Interest Rate Risk of Banking Book

The interest rate risk of banking book refers to the risk where the market interest rates, term structure and other adverse factors which impact the economic value and overall profitability resulting in losses to the Bank, affecting both on and off-balance sheet businesses, mainly including gap risk, benchmark risk and option risk.

In accordance with the *Guidelines on the Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised)*, the Bank incorporated interest rate risk of banking book into the comprehensive risk management framework and established a banking book interest rate risk management system that aligns with the Bank's systemic importance, risk status and business complexity. The objective of the Bank's interest rate risk strategy in the banking book is to minimize the decline of net interest income or economic value caused by interest rate changes within the tolerance of acceptable interest rate risk based on risk management capability and risk appetite, so as to ensure the stable growth of profits and the stability of capital structure. In 2024, the Bank paid close attention to significant changes in domestic and foreign economic landscape, macro policies and financial markets, continued to optimise interest rate risk limits and controls, and responded reasonably to market changes. The Bank continued to adopt repricing gap analysis, net interest income and economic value sensitivity analysis, and stress testing to comprehensively assess the direction, degree and year-on-year change logic of interest rate risk of banking book. By adding risk limit categories, optimising limit indicators, improving assessment and evaluation standards, the Group carried out the key points on interest rate risk management of banking book. In line with the development of core business markets such as deposits, loans and bonds, the Group timely adjusted internal and external pricing strategies, managed the duration of bond investment, reviewed the interest rate terms of new products, optimised the assessment method to promote business departments to proactively adjust term structure, thereby controlling the interest rate risk exposure of banking book.

The Bank mainly sets two types of interest rate sensitivity limits to fully reflect the risk appetite of interest rate risk of banking book. The first is the sensitivity metrics of economic value changes. According to the requirements of the standardised measurement framework in the *Guidelines on the Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised)*, it mainly assesses the loss of the Bank’s economic value under different changes in the yield curve. The second is the sensitivity metrics of changes in net interest income, which mainly assesses the loss of net interest income under extreme circumstances. Under normal circumstances, the Bank monitors and reports the above metrics on a quarterly basis. In case of extreme changes in the market, the monitoring cycle will be adjusted according to the situation.

The Bank assesses the actual situation of interest rate risk through various stress scenarios. The scenarios for interest rate shocks reflecting changes in economic value, along with their respective magnitudes, are consistent with the requirements of the standardised measurement framework of the *Guidelines on the Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised)*, including six scenarios: parallel up and parallel down shifts in the yield curve, steepening (short-term interest rate decreases, long-term interest rate increases), flattening (short-term interest rate increases, long-term interest rate decreases) , and short-term interest rates up and down. The interest rate shock scenarios for changes in net interest income are mainly set in accordance with regulatory guidelines and internal management requirements. The scenarios set by the regulator are parallel up (the interest rate of all interest-bearing assets and interest-bearing liabilities moves up by 250BPS in parallel) and parallel down (the deposit interest rate remains unchanged, and the interest rate of other interest-bearing assets and interest-bearing liabilities moves down by 250BPS in parallel). The standard stress scenarios set for internal management requirements include “the non-maturity deposits interest rate increases (decreases) by 50BPS, the interest rates of other interest-bearing assets and interest-bearing liabilities increase (decrease) by 200BPS, while the interest rates for deposits at the PBC remain unchanged”, “the interest rate of time deposits increases by 100BPS, the non-maturity deposits interest rate increases by 25BPS, and the interest rates of other interest-bearing assets and interest-bearing liabilities remain unchanged”, “Loan and bond investment rates decrease by 100BPS, interest rates of other interest-bearing assets and interest-bearing liabilities remain unchanged”, “short-term interest rate decreases by 100BPS, long-term interest rate decreases by 50BPS, while the non-maturity deposits interest rate remain unchanged”. The Bank also sets scenarios for interest rate shocks according to the requirements of internal capital adequacy assessment and recovery and resolution plan. During the reporting period, various stress testing shows that the Bank’s relevant risk indicators are controlled within the limits and the interest rate risk level is controllable.

The Bank mainly adopts cash flow hedging and fair value hedging to mitigate interest rate risk of banking book. Hedging is mainly carried out by overseas entites, and the Head Office has established specific “market risk limit for derivatives for interest rate risk hedging in banking book” to ensure the effectiveness of hedging instruments used by overseas entities. In terms of accounting treatment, hedge accounting is used to deal with hedging transactions that meet the requirements of hedge accounting, so that the financial statements reflect the effect of risk management.

In calculating changes in economic value (ΔEVE) and net interest income (ΔNII), the assumptions used by the Bank's internal measurement system (IMS) are consistent with those used in form IRRBB1. Commercial interest margin is included in the calculation of cash flow, and the risk-free spot yield curve is used for the discount curve according to the regulatory requirements. When calculating the repricing period of non-maturity deposits, the core deposit proportion model is used to distinguish the core balance and non-core balance of non-maturity deposits, and the core deposit cash flow model is used to determine the proportion of different repricing periods of core deposits according to the characteristics of deposit outflow. The Bank uses the data of the past 10 years to measure the repricing period of non-maturity deposits. The average repricing period does not exceed 3 years, of which the retail trading account does not exceed 4.5 years, the retail non-trading account does not exceed 3.15 years, and the wholesale account does not exceed 2 years. In addition, the Bank also adjusted the cash flow of fixed-rate loans and time deposits through the average of historical early prepayment rate and early withdrawal rate to reflect the impact of customer behaviour, and separately measured and aggregated each currency according to regulatory requirements, fully reflecting the characteristics of losses.

11.2 Quantitative Information on IRRBB

The following table shows information on the Group's changes in economic value of equity and net interest income under the following six standard interest rate shock scenarios.

Table 11 (IRRBB1): Quantitative information on IRRBB[1]

(In millions of RMB)	a	b
	ΔEVE[2]	ΔNII[3]
Period	**December 31, 2024**	**December 31, 2024**
Parallel up	(454,022)	115,645
Parallel down	578,108	(453,152)
Steepener	(383,405)	
Flattener	308,310	
Short rate up	71,319	
Short rate down	(74,988)	
Maximum	**(454,022)**	**(453,152)**
Period	**December 31, 2024**	
Tier 1 Capital[4]		**3,081,596**

1. IRRBB1 is calculated on the basis of the legal person, with negative value representing the loss, and the maximum value representing the maximum loss value in the listed scenarios.
2. When measuring changes in economic value, cash flow includes commercial interest margin, and the discount curve adopts the risk-free yield curve according to regulatory requirements, that is, the spot yield curve of treasury bonds. The scenarios are six standardised interest rate shock scenarios in the standardised measurement framework given by the regulator.
3. The change in net interest income is the difference in future interest income for 12 consecutive months. The parallel up scenario is that the interest rate of all interest-bearing assets and interest-bearing liabilities moves up 250BPS in parallel, and the parallel down scenario is that the deposit interest rate remains unchanged, and the interest rates of other interest-bearing assets and interest-bearing liabilities move down 250BPS in parallel.
4. Tier 1 Capital refers to Tier 1 capital after regulatory adjustments.
5. Since the end of 2023, there has been no significant change in the Bank's risk level.

12 Macro Prudential Regulatory Measures

12.1 Indicators for the Assessment of Global Systemically Important Banks

The Group publicly disclosed Global Systemically Important Banks assessment indicators in 2015 annual report for the first time. Please refer to CCB's official website for the indicators of previous periods. The following table shows the Group's indicators of 2024.

(website link: https://en.ccb.com/eng/investor/performancereports/annual_reports/index.shtml)

Table 12 (GSIB1): Disclosure of G-SIBs indicators

(In millions of RMB)			Year 2024
No.	Category	Indicator	Amount[1]
1	Size	Total exposures	43,104,261
2	Interconnectedness	Intra-financial system assets	1,922,847
3		Intra-financial system liabilities	3,460,710
4		Securities outstanding	4,073,582
5	Substitutability/Financial institution infrastructure	Payment activity	765,775,726
6		Assets under custody	24,162,163
7		Underwritten transactions in debt and equity markets	2,888,318
8a		Trading volume fixed income	6,703,629
8b		Trading volume equities and other securities	766,166
9	Complexity	Notional amount of over-the-counter (OTC) derivatives	6,861,653
10		Trading and available-for-sale securities[2]	1,002,779
11		Level 3 assets	154,282
12	Cross-jurisdictional activity	Cross-jurisdictional claims	1,152,921
13		Cross-jurisdictional liabilities	1,434,802

1. The Group's Global Systemically Important Banks assessment indicators are calculated in accordance with consolidation scope required by the Basel Committee of Banking Supervision, which is different from both accounting consolidation and regulatory consolidation.
2. "Trading and available-for-sale securities" refers to the balance of securities at fair value through profit or loss and securities at fair value through other comprehensive income calculated by netting off the level 1 and level 2 assets. Level 1 and Level 2 assets are defined in the *Measures for Liquidity Risk Management of Commercial Banks*.

12.2 Indicators for the Assessment of Domestic Systemically Important Banks

According to regulatory requirements, the following table shows the Group's D-SIBs indicators of 2023.

Table 13 (DSIB1): Disclosure of D-SIBs indicators

(In millions of RMB unless otherwise specified)		Year 2023
Tier 1 indicator	**Tier 2 indicator**[1]	**Amount**[1]
Size	Total exposures	40,137,194
Interconnectedness	Intra-financial system assets	3,387,670
	Intra-financial system liabilities	4,231,988
	Securities outstanding	2,181,891
Substitutability/Financial institution infrastructure	Payment activity	718,529,474
	Assets under custody	21,031,981
	Agency and underwriting business	6,797,482
	Number of corporate customers (in 10 thousands)	1,082
	Number of personal customers (in 10 thousands)	75,700
	Number of domestic business organisations (unit)	14,255
Complexity	Derivatives	5,256,110
	Securities at fair value	781,932
	Asset of non-bank subsidiaries	771,801
	Total non-principal guaranteed WMPs issued by the Bank	79,443
	Total WMPs issued by the wealth management subsidiary	1,499,121
	Cross-jurisdictional claims and liabilities	2,397,408

1. Due to different regulatory requirements followed, there are certain differences between the assessment indicators of D-SIBs and G-SIBs.

13 Leverage Ratio

As at 31 December 2024, the Group's leverage ratio was 7.78%, meeting regulatory requirements.

The following table shows the difference between the on and off-balance sheet assets after adjustments used for calculating the Group's leverage ratio and the total assets of the Group's balance sheet.

Table 14 (LR1): Difference in Leverage Ratio Regulatory Items and Relevant Accounting Items

(In millions of RMB)		a December 31, 2024
1	Total consolidated assets[1]	40,571,149
2	Adjustment for consolidation[2]	(318,314)
3	Adjustment for clients' assets	-
4	Adjustment for derivatives	324,111
5	Adjustment for securities financing transactions	47,997
6	Adjustment for off-balance sheet items[3]	2,139,602
7	Adjustment for securitisation transactions	-
8	Adjustment for unsettled financial assets	-
9	Adjustment for cash pool	-
10	Adjustment for deposit reserves (if applicable)[4]	-
11	Adjustment for prudent valuation and provisions	-
12	Other adjustments[5]	(9,001)
13	**On and off-balance sheet assets after adjustments**	**42,755,544**

1. Total consolidated assets is calculated in accordance with financial and accounting standards.
2. Adjustment for consolidation refers to the difference between regulatory consolidated total assets and accounting consolidated total assets.
3. Adjustment for off-balance sheet items refers to the off-balance sheet asset after conversion in accordance with the *Rules on Capital Management of Commercial Banks*.
4. Adjustment for deposit reserves refers to the balance of reserves that the Bank has deposited to the People's Bank of China, which could be temporarily exempted from on-balance asset, in accordance with the *Rules on Capital Management of Commercial Banks*.
5. Other adjustments mainly comprise regulatory adjustments for Tier 1 capital.

The following table shows the Group's composition of the leverage ratio calculation items, actual leverage ratio, minimum leverage ratio requirement, additional leverage ratio requirement and other relevant information.

Table 15 (LR2): Leverage Ratio

(In millions of RMB, except percentages)		a December 31, 2024	b September 30, 2024
On-balance sheet items			
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	40,382,455	40,669,383
2	Less: Provisions	(838,746)	(850,539)
3	Less: Regulatory adjustments for Tier 1 capital	(9,001)	(8,410)
4	**Adjusted on-balance sheet assets (exclusive of derivatives and securities financing transactions)**	39,534,708	39,810,434
Derivative items			
5	Replacement costs associated with derivative transactions (deducting eligible margin and considering the impact of the bilateral netting agreement)	172,714	67,468
6	Potential future exposure associated with derivative transactions	252,750	251,881
7	Gross-up for derivatives collateral deducted from the balance sheet	-	-
8	Less: Assets receivable due to the provision of eligible margin	-	-
9	Less: Derivative assets with CCPs from client-cleared service	-	-
10	The notional principal of written credit derivatives	-	-
11	Less: Deductions for written credit derivatives	-	-
12	**Balance of derivatives**	425,464	319,349
Balance of securities financing transactions			
13	Securities financing transactions assets	607,773	750,116
14	Less: Deductible securities financing transactions	-	-
15	Counterparty credit risk exposure for securities financing transactions	47,997	1,982
16	Agent securities financing transactions assets	-	-
17	**Balance of securities financing transactions assets**	655,770	752,098
Off-balance sheet items			
18	Notional amount of off-balance sheet items	7,922,860	7,499,760
19	Less: Adjustments for conversion to credit equivalent amounts	(5,754,628)	(5,535,401)
20	Less: Provisions	(28,630)	(30,510)
21	**Off-balance sheet assets after adjustments**	2,139,602	1,933,849
Tier 1 capital after regulatory adjustments and on and off-balance sheet assets after adjustments			
22	Tier 1 capital after regulatory adjustments	3,324,424	3,322,954
23	On and off-balance sheet assets after adjustments	42,755,544	42,815,730
Leverage ratio			
24	Leverage ratio (%)	7.78	7.76
24a	Leverage ratio a (%)[1]	7.78	7.76
25	Minimum leverage ratio requirement (%)	4.00	4.00
26	Additional leverage ratio requirement (%)	0.75	0.75

	(In millions of RMB, except percentages)	a December 31, 2024	b September 30, 2024
Disclosure of mean values			
27	Quarter mean value of securities financing transactions	1,065,723	808,929
27a	Quarter-end value of securities financing transactions	607,773	750,116
28	On and off-balance sheet assets after adjustments a[2]	43,213,494	42,874,543
28a	On and off-balance sheet assets after adjustments b[3]	43,213,494	42,874,543
29	Leverage ratio b (%)[4]	7.69	7.75
29a	Leverage ratio c (%)[5]	7.69	7.75

1. The leverage ratio a refers to the leverage ratio calculated without considering the temporary exemption of deposit reserves and using quarter-end value of securities financing transactions.
2. On and off-balance sheet assets after adjustments a refers to the on and off-balance sheet assets after adjustments calculated by considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter.
3. On and off-balance sheet assets after adjustments b refers to the on and off-balance sheet assets after adjustments calculated without considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter.
4. Leverage ratio b refers to the leverage ratio calculated by considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter.
5. Leverage ratio c refers to the leverage ratio calculated without considering the temporary exemption of deposit reserves and using the simple arithmetic mean of the daily balance of securities financing transactions within the latest quarter.

14 Liquidity Risk

14.1 Liquidity Risk Management

The Board of Directors reviews and approves liquidity risk strategy and risk appetite, and assumes the ultimate responsibility for liquidity risk management. Senior management carries out liquidity risk strategy set by the Board of Directors and organises the implementation of liquidity risk management activities. The Board of Supervisors supervises and evaluates the performance of the Board of Directors and senior management in liquidity risk management. Asset & Liability Management Department leads the Group's liquidity risk management and performs various duties in liquidity risk management together with business management departments and branches. Each subsidiary assumes the primary responsibility for its own liquidity risk management.

The Group adheres to a liquidity risk management strategy featuring prudence, decentralisation, coordination and diversification. The objective for liquidity risk management is to establish and improve a liquidity risk management system that can fully identify, accurately measure, continue to monitor, and effectively control liquidity risk, effectively balance the return on and security of funds, and safeguard the steady operation across the bank. In light of regulatory requirements, external macro environment, and its business development, the Group formulates approaches for liquidity risk identification, measurement and monitoring, sets out risk limit management criteria, carries out daily liquidity management, periodically conducts stress testing at the Group level, and reviews and assesses contingency plans.

In 2024, the Group adhered to the principle of robustness and prudence, responded to changes in internal and external fund situation in a forward-looking manner, carefully arranged the total amount and structure of funding sources and utilisation, and optimised the allocation of assets and liabilities. It gave full play to the buffering role of liquidity reserve, improved its financing strategies, and elevated the diversification and stability of financing sources. It continued to advance the iteration of liquidity management system, and improved the autonomy, intelligence and timeliness of IT systems. In addition, it also proactively fulfilled its obligations as a major state-owned bank, and played its roles as a market "stabiliser" and a policy "transmitter".

The Group conducts quarterly liquidity risk stress testing in order to gauge its risk tolerance ability in different stress testing scenarios. The key factors and events set by the stress testing as having an impact on liquidity risk include significant decline in the ability to liquidate current assets, significant loss of wholesale and retail deposits, reduction of the availability of wholesale and retail financing, and significant adverse changes in market liquidity conditions. The results of stress testing show that under different stress scenarios, the Group's liquidity risk is under control.

14.2 Liquidity Coverage Ratio and Net Stable Funding Ratio

The following table shows the composition of the Group's cash outflows and cash inflows as well as high-quality liquid assets.

Table 16 (LIQ1): Liquidity Coverage Ratio

(In millions of RMB, except percentages)		a	b
		The Fourth Quarter of 2024	
		The value before conversion	The value after conversion
High-quality liquid assets (HQLA)			
1	Total high-quality liquid assets (HQLA)		6,237,408
Cash outflows			
2	Retail deposits and deposits from small business customers	15,348,337	1,383,705
3	of which: Stable deposits	3,021,349	151,006
4	of which: Less stable deposits	12,326,988	1,232,699
5	Unsecured wholesale funding	13,279,659	5,122,139
6	of which: Operational deposits (excluding those generated from correspondent banking activates)	7,650,387	1,899,403
7	of which: Non-operational deposits (all counterparties)	5,438,890	3,032,354
8	of which: Unsecured debt	190,382	190,382
9	Secured funding		1,764
10	Additional requirements	2,166,218	278,418
11	of which: Outflows related to derivative exposures and other collateral requirements	75,603	75,603
12	of which: Outflows related to loss of funding on secured debt products	7,133	7,133
13	of which: Credit and liquidity facilities	2,083,482	195,682
14	Other contractual funding obligations	5,239	5,220
15	Other contingent funding obligations	6,033,921	725,646
16	**Total cash outflows**		7,516,892
Cash inflows			
17	Secured lending (including reverse repos and securities borrowing)	1,062,976	1,062,976
18	Inflow from fully performing exposures	2,432,106	1,420,346
19	Other cash inflows	80,804	75,837
20	**Total cash inflows**	3,575,886	2,559,159
			The value after adjustment
21	**Total high-quality liquid assets (HQLA)**		6,237,408
22	**Total net cash outflows**		4,957,733
23	**Liquidity coverage ratio (%)**[1]		125.73

1. All the data above represent simple arithmetic means of the values for 92 calendar days in the latest quarter, calculated in accordance with the current applicable regulatory requirements, definitions and accounting standards.

In the fourth quarter of 2024, the Group's average daily liquidity coverage ratio was 125.73%, meeting regulatory requirements. Compared with the third quarter of 2024, it increased by 5.44 percentage points, mainly due to an increase in high-quality liquid assets eligible for inclusion.

The following table shows the Group's net stable funding ratio and composition information for each item.

Table 17 (LIQ2): Net Stable Funding Ratio

		a	b	c	d	e	a	b	c	d	e
(In millions of RMB, except percentages)		The Fourth Quarter of 2024					The Third Quarter of 2024				
		The value before conversion				The value after conversation	The value before conversion				The value after conversation
		No maturity	<6 months	6 to 12 months	≥1 year		No maturity	<6 months	6 to 12 months	≥1 year	
Available stable funding											
1	Capital	-	-	-	3,927,743	3,927,743	-	-	-	3,889,504	3,889,504
2	Regulatory capital	-	-	-	3,927,743	3,927,743	-	-	-	3,889,504	3,889,504
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers	7,190,311	9,612,211	331,138	794,435	16,379,281	6,995,821	9,401,770	411,958	848,019	16,136,127
5	Stable deposits	3,264,551	18,430	8,069	6,568	3,133,065	3,165,392	17,357	7,508	6,950	3,037,695
6	Less stable deposits	3,925,760	9,593,781	323,069	787,867	13,246,216	3,830,429	9,384,413	404,450	841,069	13,098,432
7	Wholesale funding	1,750,282	13,221,187	1,755,405	851,151	7,523,964	2,616,549	13,066,185	1,871,641	922,785	8,153,873
8	Operational deposits	1,592,324	5,196,931	48,978	6	3,419,123	2,453,200	5,152,424	75,039	4	3,840,335
9	Other wholesale funding	157,958	8,024,256	1,706,427	851,145	4,104,841	163,349	7,913,761	1,796,602	922,781	4,313,538
10	Liabilities with matching interdependent assets	-	-	-	-	-	-	-	-	-	-
11	Other liabilities	-	281,494	212,635	324,842	327,334	-	248,565	222,057	120,375	171,134
12	NSFR derivative liabilities				103,825					60,269	
13	All other liabilities and equity not included in the above categories	-	281,494	212,635	221,017	327,334	-	248,565	222,057	60,106	171,134
14	**Total available stable funding**					28,158,322					28,350,638
Required stable funding											
15	Total NSFR high-quality liquid assets (HQLA)					2,512,583					2,554,976
16	Deposits held at other financial institutions for operational purposes	51,698	17,931	7,484	2,673	41,448	64,428	33,752	3,059	2,734	53,624

		a	b	c	d	e	a	b	c	d	e
(In millions of RMB, except percentages)		The Fourth Quarter of 2024					The Third Quarter of 2024				
		The value before conversion				The value after conversation	The value before conversion				The value after conversation
		No maturity	<6 months	6 to 12 months	≥1 year		No maturity	<6 months	6 to 12 months	≥1 year	
17	Performing loans and securities	1,132,786	6,941,603	3,570,517	16,039,685	17,683,465	1,091,884	7,224,215	3,380,129	16,096,481	17,678,317
18	Performing loans to financial institutions secured by Level 1 Assets	-	590,785	-	-	88,618	-	726,566	2,104	-	110,037
19	Performing loans to financial institutions secured by non-Level 1 Assets and unsecured performing loans to financial institutions	-	1,394,609	308,176	101,811	465,792	-	1,481,950	299,729	126,633	503,329
20	Performing loans issued to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	1,037,820	4,564,104	2,893,812	9,804,728	12,505,944	1,005,972	4,684,641	2,731,871	9,819,525	12,491,896
21	of which: with a risk weight of less than or equal to 35%	-	435,449	98,509	381,783	515,137	-	458,847	100,278	331,725	495,183
22	Performing residential mortgages	-	193,842	199,372	5,817,131	4,122,598	-	197,318	214,515	5,834,054	4,127,583
23	of which: with a risk weight of less than or equal to 35%	-	175,029	178,410	5,092,849	3,487,071	-	179,775	193,821	5,186,396	3,557,956
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	94,966	198,263	169,157	316,015	500,513	85,912	133,740	131,910	316,269	445,472
25	Assets with matching	-	-	-	-	-	-	-	-	-	-

	(In millions of RMB, except percentages)	a	b	c	d	e	a	b	c	d	e
		The Fourth Quarter of 2024					The Third Quarter of 2024				
		The value before conversion				The value after conversation	The value before conversion				The value after conversation
		No maturity	<6 months	6 to 12 months	≥1 year		No maturity	<6 months	6 to 12 months	≥1 year	
	interdependent liabilities										
26	Other assets	109,845	310,809	148,141	109,396	588,294	53,091	162,183	162,583	107,249	443,003
27	Physical traded commodities (including gold)	109,845				93,368	53,091				45,127
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				798	679				386	328
29	NSFR derivative assets				93,955	-				44,723	-
30	Additional requirements for derivatives[1]				104,683	20,937				60,494	12,099
31	All other assets not included in the above categories	-	310,809	148,141	14,643	473,310	-	162,183	162,583	62,140	385,449
32	Off-balance sheet items				7,516,665	201,910				7,404,047	198,205
33	**Total required stable funding**					21,027,700					20,928,125
34	**Net stable funding ratio (%)**					133.91					135.47

1. The value before conversion refers to the amount of negative fair value of NSFR derivatives, before netting the variation margin, without distinguishing terms. The value before conversion of additional requirements for derivatives is not included in the subtotal of item 26 “Other assets”.

By the end of December 2024, the net stable funding ratio of the Group was 133.91%, of which the total available stable funding was RMB28,158,322 million, and the total required stable funding was RMB21,027,700 million, meeting regulatory requirements. The NSFR at the end of December was 1.56 percentage points lower than that at the end of September, mainly due to the slight decrease of total available stable funding.

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